

RICHTERSVELD

MUNICIPALITY



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

FINANCIAL STATEMENTS

30 JUNE 2018

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kuboes, Alexander Bay, Sandrift and Lekkersing.

MAYOR

AM Jansen

MUNICIPAL MANAGER

G Cloete (Acting)

CHIEF FINANCIAL OFFICER

ME Basson

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General

PRINCIPLE BANKERS

First National Bank

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

GENERAL INFORMATION

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

WJP Links
A Bock
G Beukes
CJ Stuurman
AM Jansen
SM Isaaks
R Jonker

RICHTERSVELD MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2018, which are set out on pages 5 to 86 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2019 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis.

G Cloete (Acting)
Municipal Manager

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	2018 R	2017 R
ASSETS			
Non-Current Assets		223 684 228	196 812 242
Property, Plant and Equipment	2	185 768 421	158 713 856
Investment Property	3	37 751 089	37 841 867
Intangible Assets	4	164 719	256 520
Current Assets		11 854 802	4 789 672
Inventory	6	558 480	322 589
Receivables from Exchange Transactions	7	3 399 172	1 971 946
Receivables from Non-exchange Transactions	8	1 535 877	887 498
Operating Lease Asset	5.1	-	1 146
Taxes	17	3 041 324	994 326
Cash and Cash Equivalents	9	3 319 949	612 167
Total Assets		235 539 030	201 601 915
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		30 829 938	21 648 711
Long-term Borrowings	10	547 407	2 102 237
Non-current Provisions	11	27 396 696	16 779 072
Non-current Employee Benefits	12	2 885 836	2 767 402
Current Liabilities		25 533 888	18 160 428
Consumer Deposits	13	1 408 660	1 315 976
Provisions	11	1 994 712	-
Current Employee Benefits	14	2 539 674	2 314 263
Trade and Other Payables from Exchange Transactions	15	15 735 333	13 024 769
Unspent Transfers and Subsidies	16	2 300 679	57 921
Current Portion of Long-term Borrowings	10	1 554 830	1 447 499
Total Liabilities		56 363 826	39 809 139
Net Assets		179 175 204	161 792 776
Capital Replacement Reserve	19	739	739
Housing Development Fund	19	455 059	455 059
Accumulated Surplus/(Deficit)		178 719 405	161 336 977
Total Net Assets and Liabilities		235 539 030	201 601 915

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
REVENUE			
Revenue from Non-exchange Transactions		60 469 207	35 927 572
Taxation Revenue		7 598 299	5 767 429
Property Rates	20	7 593 781	5 767 429
Surcharges and Taxes		4 518	-
Transfer Revenue		52 689 882	28 573 174
Government Grants and Subsidies	21	51 747 182	27 052 183
Public Contributions and Donations	22	942 700	1 520 991
Other Revenue		181 026	1 586 969
Actuarial Gains	12	17 164	-
Fines, Penalties and Forfeits		6 384	115 703
Interest Earned - Non-exchange Transactions		157 478	1 471 266
Revenue from Exchange Transactions		30 076 852	27 568 678
Service Charges	24	24 479 471	21 297 715
Sales of Goods and Rendering of Services	25	2 068 604	1 898 019
Rent on Land	26	321 186	439 998
Rental from Fixed Assets	27	268 360	240 173
Interest Earned - External Investments	28	441 939	186 692
Interest Earned - Exchange Transactions	29	2 026 834	2 715 278
Licences and Permits	23	6 646	92 046
Agency Services		389 410	389 087
Operational Revenue	30	74 400	309 670
Total Revenue		90 546 059	63 496 251
EXPENDITURE			
Employee related costs	31	(25 436 546)	(24 367 619)
Remuneration of Councillors	32	(2 445 929)	(2 119 241)
Bad Debts Written Off		(943 094)	-
Contracted Services	33	(7 086 953)	(4 174 047)
Depreciation and Amortisation	34	(10 868 357)	(9 456 305)
Actuarial Losses	12	(25 982)	(21 950)
Finance Costs	35	(1 915 474)	(1 658 391)
Bulk Purchases	36	(12 815 060)	(11 706 043)
Inventory Consumed	6	(1 606 512)	(1 561 143)
Operating Leases		(249 731)	(245 248)
Transfers and Subsidies		-	(11 500)
Operational Costs	37	(7 349 858)	(7 314 247)
Total Expenditure		(70 743 496)	(62 635 733)
Operating Surplus/(Deficit) for the Year		19 802 562	860 517
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(4 255 470)	(6 817 852)
Gains/(Loss) on Sale of Fixed Assets	39	1 522 602	(2 679 120)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	40	-	(403 876)
Discounting of Receivables		(910 130)	-
Fair Value Adjustments of Financial Asset		1 364 940	-
Water Losses	41	(142 076)	(252 849)
NET SURPLUS/(DEFICIT) FOR THE YEAR		17 382 428	(9 293 180)

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2018

	Capital Replacement Reserve	Housing Development Fund	Accumulated Surplus/ (Deficit)	Total
	R	R	R	R
Balance at 1 July 2016	324 254	536 350	118 709 431	119 570 034
Correction of Error - Note 43.6	-	-	51 515 922	51 515 922
Restated balance	324 254	536 350	170 225 353	171 085 956
Net Surplus/(Deficit) for the year	-	-	(9 293 180)	(9 293 180)
Net Surplus/(Deficit) previously reported	-	-	(7 093 635)	(7 093 635)
Effects of Correction of Errors - Note 43.7	-	-	(2 199 545)	(2 199 545)
Transfer to/from CRR	(323 514)	-	323 514	-
Transfer to Housing Development Fund	-	(81 290)	81 290	-
Restated balance	739	455 060	161 336 977	161 792 776
Net Surplus/(Deficit) for the year	-	-	17 382 428	17 382 428
Transfer to Housing Development Fund	-	-	-	-
Balance at 30 June 2018	739	455 060	178 719 405	179 175 204

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	2018 R	2017 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		6 783 286	8 634 365
Service Charges		20 942 714	19 639 847
Other Revenue		3 152 993	4 420 112
Government - Operating		18 126 000	17 923 525
Government - Capital		35 579 000	7 680 211
Interest		441 939	186 692
Dividends		-	-
Cash payments			
Suppliers and Employees		(55 693 401)	(50 162 375)
Finance Charges		(329 067)	(558 380)
Transfers and Grants		-	-
Net Cash from Operating Activities	44	29 003 465	7 763 996
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(26 660 830)	(8 654 466)
Proceeds on Disposal of Assets		1 719 961	1 119 551
Purchase of Intangible Assets		-	(102 116)
Net Cash from Investing Activities		(24 940 869)	(7 637 031)
CASH FLOW FROM FINANCING ACTIVITIES			
Increase/(Decrease) in Consumer Deposits		92 684	16 907
Repayment of Borrowing		(1 447 499)	(1 826 949)
Net Cash from Financing Activities		(1 354 815)	(1 810 042)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 707 781	(1 683 077)
Cash and Cash Equivalents at the beginning of the year		612 167	2 295 244
Cash and Cash Equivalents at the end of the year	45	3 319 949	612 167
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		2 707 781	(1 683 077)

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2018 R	%
ASSETS									
Current Assets									
Cash		2 341 358	(2 096 401)	244 957	-	-	244 957	289 785	18.30%
Call Investment Deposits		-	-	-	-	-	-	3 030 163	100.00%
Consumer Debtors		35 667 817	(15 325 974)	20 341 843	-	-	20 341 843	3 399 172	-83.29%
Other Debtors		-	11 325 974	11 325 974	-	-	11 325 974	4 577 201	-59.59%
Inventory		185 828	-	185 828	-	-	185 828	558 480	200.54%
Total Current Assets	48.2.1	38 195 004	(6 096 401)	32 098 603	-	-	32 098 603	11 854 802	-63.07%
Non-Current Assets									
Long-term Receivables		162 079	-	162 079	-	-	162 079	-	-100.00%
Investment Property		46 177 026	(8 531 059)	37 645 967	-	-	37 645 967	37 751 089	0.28%
Property, Plant and Equipment		153 547 066	(26 227 136)	127 319 930	-	-	127 319 930	185 768 421	45.91%
Intangible Assets		347 968	-	347 968	-	-	347 968	164 719	-52.66%
Total Non-Current Assets	48.2.2	200 234 139	(34 758 195)	165 475 944	-	-	165 475 944	223 684 228	35.18%
TOTAL ASSETS		238 429 143	(40 854 596)	197 574 547	-	-	197 574 547	235 539 030	19.22%
LIABILITIES									
Current Liabilities									
Borrowing		1 399 434	-	1 399 434	-	-	1 399 434	1 554 830	11.10%
Consumer Deposits		1 025 363	-	1 025 363	-	-	1 025 363	1 408 660	37.38%
Trade and Other Payables		10 967 789	8 425 625	19 393 414	-	-	19 393 414	18 036 012	-7.00%
Provisions		2 109 052	-	2 109 052	-	-	2 109 052	4 534 386	115.00%
Total Current Liabilities	48.2.3	15 501 639	8 425 625	23 927 264	-	-	23 927 264	25 533 888	6.71%
Non-Current Liabilities									
Borrowing		0.00	702 803	702 803	-	-	702 803	547 407	-22.11%
Provisions		14 454 490	6 314 748	20 769 238	-	-	20 769 238	30 282 532	45.80%
Total Non-Current Liabilities	48.2.4	14 454 490	7 017 551	21 472 041	-	-	21 472 041	30 829 938	43.58%
TOTAL LIABILITIES		29 956 129	15 443 176	45 399 305	-	-	45 399 305	56 363 826	24.15%
NET ASSETS									
Accumulated Surplus/(Deficit)		208 473 014	(56 752 831)	151 720 183	-	-	151 720 183	178 719 405	17.80%
Reserves		-	455 059	455 059	-	-	455 059	455 798	0.16%
TOTAL NET ASSETS	48.2.5	208 473 014	(56 297 772)	152 175 242	-	-	152 175 242	179 175 204	17.74%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
		R	R	R	R	R	R	2018 R	%
REVENUE									
Property Rates		12 993 749	-	12 993 749	-	-	12 993 749	7 598 299	-41.52%
Service Charges - Electricity Revenue		11 805 066	-	11 805 066	-	-	11 805 066	11 034 657	-6.53%
Service Charges - Water Revenue		7 720 031	-	7 720 031	-	-	7 720 031	5 656 571	-26.73%
Service Charges - Sanitation Revenue		3 889 190	-	3 889 190	-	-	3 889 190	4 271 265	9.82%
Service Charges - Refuse Revenue		4 622 673	-	4 622 673	-	-	4 622 673	3 516 979	-23.92%
Service Charges - Other Revenue		-	-	-	-	-	-	-	
Rental of Facilities and Equipment		1 431 249	-	1 431 249	-	-	1 431 249	589 546	-58.81%
Interest Earned - External Investments		429 643	-	429 643	-	-	429 643	441 939	2.86%
Interest Earned - Outstanding Debtors		1 942 161	-	1 942 161	-	-	1 942 161	2 184 313	12.47%
Dividends Received		-	-	-	-	-	-	-	
Fines		18 775	-	18 775	-	-	18 775	6 384	-66.00%
Licences and Permits		95 486	-	95 486	-	-	95 486	6 646	-93.04%
Agency Services		378 474	-	378 474	-	-	378 474	389 410	2.89%
Transfers Recognised - Operational		18 103 900	755 000	18 858 900	-	-	18 858 900	19 354 640	2.63%
Other Revenue		2 766 869	-	2 766 869	-	-	2 766 869	3 507 945	26.78%
Gains on Disposal of PPE		-	-	-	-	-	-	1 522 602	100.00%
Total Revenue (excluding capital transfers and contributions)	48.2.6	66 197 267	755 000	66 952 267	-	-	66 952 267	60 081 194	-10.26%
EXPENDITURE									
Employee Related Costs		25 017 984	1 014 835	26 032 820	-	-	26 032 820	25 419 382	-2.36%
Remuneration of Councillors		2 058 041	206 866	2 264 907	-	-	2 264 907	2 445 929	7.99%
Debt Impairment		2 125 829	4 000 000	6 125 829	-	-	6 125 829	4 255 470	-30.53%
Depreciation and Asset Impairment		5 053 527	2 000 000	7 053 527	-	-	7 053 527	10 868 357	54.08%
Finance Charges		1 387 126	-	1 387 126	-	-	1 387 126	1 915 474	38.09%
Bulk Purchases		13 581 202	95 000	13 676 202	-	-	13 676 202	12 815 060	-6.30%
Other Materials		-	-	-	-	-	-	1 606 512	100.00%
Contracted Services		5 956 571	1 200 000	7 156 571	-	-	7 156 571	7 086 953	-0.97%
Other Expenditure		10 209 010	334 700	10 543 710	-	-	10 543 710	9 620 871	-8.75%
Total Expenditure	48.2.7	65 389 290	8 851 401	74 240 691	-	-	74 240 691	76 034 008	2.42%
Surplus/(Deficit)		807 977	(8 096 401)	(7 288 424)	-	-	(7 288 424)	(15 952 814)	118.88%
Transfers Recognised - Capital		20 684 100	15 197 000	35 881 100	-	-	35 881 100	33 335 242	-7.10%
Surplus/(Deficit) after Capital Transfers & Contributions		21 492 077	7 100 599	28 592 676	-	-	28 592 676	17 382 428	-39.21%
Taxation		-	-	-	-	-	-	-	
Surplus/(Deficit) after Taxation		21 492 077	7 100 599	28 592 676	-	-	28 592 676	17 382 428	-39.21%
Attributable to Minorities		-	-	-	-	-	-	-	
Surplus/(Deficit) Attributable to Municipality		21 492 077	7 100 599	28 592 676	-	-	28 592 676	17 382 428	-39.21%
Share of Surplus/(Deficit) of Associate		-	-	-	-	-	-	-	
Surplus/(Deficit) for the year		21 492 077	7 100 599	28 592 676	-	-	28 592 676	17 382 428	-39.21%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by- law)	Final Budget	Actual Outcome 2018 R	Actual Outcome as % of Final Budget %
		R	R	R	R	R	R	R	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Taxation		8 293 747	-	8 293 747	-	-	8 293 747	6 783 286	-18.21%
Service Charges		20 048 847	-	20 048 847	-	-	20 048 847	20 942 714	4.46%
Other Revenue		3 259 604	-	3 259 604	-	-	3 259 604	3 152 993	-3.27%
Government - Operating		18 103 900	755 000	18 858 900	-	-	18 858 900	18 126 000	-3.89%
Government - Capital		20 684 100	15 197 000	35 881 100	-	-	35 881 100	35 579 000	-0.84%
Interest		429 643	-	429 643	-	-	429 643	441 939	2.86%
Dividends		-	-	-	-	-	-	-	
Payments									
Suppliers and Employees		(45 338 872)	(2 851 401)	(48 190 274)	-	-	(48 190 274)	(55 693 401)	15.57%
Finance costs		-	-	-	-	-	-	(329 067)	100.00%
Transfers and Grants		-	-	-	-	-	-	-	
Net Cash from/(used) Operating Activities	48.2.8	25 480 969	13 100 599	38 581 567	-	-	38 581 567	29 003 465	-24.83%
CASH FLOW FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE		-	-	-	-	-	-	1 719 961	
Decrease/(Increase) in Non-Current Debtors		(162 079)	-	(162 079)	-	-	(162 079)	-	-100.00%
Decrease/(Increase) in Other Non-Current Receivables		-	-	-	-	-	-	-	
Decrease/(Increase) in Non-Current Investments		-	-	-	-	-	-	-	
Payments									
Capital Assets		(21 947 600)	(15 197 000)	(37 144 600)	-	-	(37 144 600)	(26 660 830)	-28.22%
Net Cash from/(used) Investing Activities	48.2.9	(22 109 679)	(15 197 000)	(37 306 679)	-	-	(37 306 679)	(24 940 869)	-33.15%
CASH FLOW FROM FINANCING ACTIVITIES									
Receipts									
Short Term Loans		-	-	-	-	-	-	-	
Borrowing long term/refinancing		-	-	-	-	-	-	-	
Increase/(Decrease) in Consumer Deposits		1 025 363	-	1 025 363	-	-	1 025 363	92 684	-90.96%
Payments									
Repayment of Borrowing		-	-	-	-	-	-	(1 447 499)	100.00%
Net Cash from/(used) Financing Activities	48.2.10	1 025 363	-	1 025 363	-	-	1 025 363	(1 354 815)	-232.13%
NET INCREASE/(DECREASE) IN CASH HELD									
Cash and Cash Equivalents at the year begin:		4 396 653	(2 096 401)	2 300 252	-	-	2 300 252	2 707 781	17.72%
		(2 055 295)	-	(2 055 295)	-	-	(2 055 295)	612 167	-129.78%
Cash and Cash Equivalents at the year end:		2 341 358	(2 096 401)	244 957	-	-	244 957	3 319 948	1255.32%

INSERT ACCOUNTING POLICY

See word document

Pages 12-48

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2018

Reconciliation of Carrying Value							
	Buildings R	Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2017	7 811 969	15 940 849	123 576 178	6 428 577	3 419 066	1 537 216	158 713 856
Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711
Original Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711
Accumulated Depreciation and Impairment Losses	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)
Original Cost	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)
Acquisitions	-	-	1 400 791	-	-	149 684	1 550 476
Capital under Construction	-	-	25 110 354	-	-	-	25 110 354
Current Year	-	-	26 753 021	-	-	-	26 753 021
Less: Unbundled during the year	-	-	(1 642 667)	-	-	-	(1 642 667)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	-	11 276 873	-	-	-	11 276 873
Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Normal Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Carrying value of disposals / write-offs	-	-	(197 360)	-	-	-	(197 360)
Cost	-	-	(410 575)	-	-	-	(410 575)
Accumulated Depreciation	-	-	213 215	-	-	-	213 215
Impairment losses	-	-	-	-	-	-	-
Cost	-	-	-	-	-	-	-
Accumulated Impairment Loss	-	-	-	-	-	-	-
Carrying value at 30 June 2018	7 085 564	15 940 849	153 468 200	5 854 948	2 143 753	1 275 106	185 768 421
Cost	17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Original Cost	17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Accumulated Depreciation and Impairment Losses	(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)
Original Cost	(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2.2 30 JUNE 2017

Reconciliation of Carrying Value	Buildings R	Land	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2016	8 354 063	15 940 849	123 425 805	6 702 247	3 878 571	2 796 349	161 097 884
Cost	17 886 538	16 101 549	174 019 084	13 425 416	5 751 926	9 161 477	236 345 990
Original Cost	17 406 830	16 101 549	121 048 346	13 213 161	5 751 926	9 161 477	182 683 290
Correction of Error - Note 43.1	479 707	-	52 970 738	212 254	-	-	53 662 700
Accumulated Depreciation and Impairment Losses	(9 532 475)	(160 700)	(50 593 279)	(6 723 168)	(1 873 355)	(6 365 128)	(75 248 106)
Original Cost	(9 546 248)	(160 700)	(49 401 666)	(6 810 508)	(1 873 355)	(6 365 128)	(74 157 606)
Correction of Error - Note 43.1	13 773	-	(1 191 612)	87 340	-	-	(1 090 499)
Acquisitions	318 412	-	7 208 260	284 957	1 524 482	423 792	9 759 903
Previously stated	318 412	-	8 482 863	284 957	1 524 482	423 792	11 034 506
Correction of Error - Note 43.1	-	-	(1 274 602)	-	-	-	(1 274 602)
Capital under Construction	(57 084)	-	912 308	-	-	-	855 223
Current Year	38 522	-	6 426 672	-	-	-	6 465 194
Less: Prior Year	(95 606)	-	(5 514 364)	-	-	-	(5 609 971)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	-	817 982	-	-	-	817 982
Carrying value of disposals / write-offs	(166 238)	-	(2 707 400)	(15 137)	(307 560)	(929 384)	(4 125 719)
Cost	(185 802)	-	(4 052 147)	(1 219 398)	(608 246)	(4 157 028)	(10 222 621)
Correction of Error - Note 43.1	-	-	(111 974)	-	-	-	(111 974)
Accumulated Depreciation	19 564	-	1 348 621	1 204 261	300 686	3 191 560	6 064 693
Correction of Error - Note 43.1	-	-	108 100	-	-	36 083	144 183
Depreciation	(637 183)	-	(6 084 651)	(543 491)	(1 275 314)	(750 777)	(9 291 416)
Normal Depreciation	(609 000)	-	(3 854 919)	(522 971)	(1 275 314)	(750 777)	(7 012 981)
Correction of Error - Note 43.1	(28 183)	-	(2 229 732)	(20 520)	-	-	(2 278 435)
Impairment losses	-	-	3 874	-	-	(2 763)	(400 002)
Cost	-	-	-	-	(401 113)	33 320	(367 793)
Correction of Error - Note 43.1	-	-	3 874	-	-	(36 083)	(32 209)
Carrying value at 30 June 2017	7 811 969	15 940 849	123 576 178	6 428 577	3 820 179	1 537 216	158 713 856
Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711
Original Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Accumulated Depreciation and Impairment Losses	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)
Original Cost	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2018

	Notes	2018 R
ASSETS		
Non-Current Assets		223 684 228
Property, Plant and Equipment	2	185 768 421
Agricultural	3	-
Investment Property	4	37 751 089
Intangible Assets	5	164 719
Heritage Assets	6	-
Investments	7	-
Non-Current Receivables from Exchange Transactions	8	-
Non-Current Receivables from Non-Exchange Transactions	9	-
Operating Lease Asset	10.1	-
Current Assets		11 854 802
Inventory	11	558 480
Receivables from Exchange Transactions	12	3 399 172
Receivables from Non-exchange Transactions	13	1 535 877
Unpaid Transfers and Subsidies	22	-
Operating Lease Asset	10.1	-
Taxes	24.3	3 041 324
Current Portion of Non-Current Receivables	8 & 9	-
Cash and Cash Equivalents	14.1	3 319 949
Short-term Investments	14.2	-
Total Assets		235 539 030
NET ASSETS AND LIABILITIES		
Non-Current Liabilities		30 829 938
Long-term Borrowings	15	547 407
Non-current Provisions	16	27 396 696
Non-current Employee Benefits	17	2 885 836
Operating Lease Liability	10.2	-
Current Liabilities		25 533 888
Consumer Deposits	18	1 408 660
Provisions	19	1 994 712
Current Employee Benefits	20	2 539 674
Trade and Other Payables from Exchange Transactions	21	15 735 333
Unspent Transfers and Subsidies	22	2 300 679
Transfers and Subsidies Payable	23	-
Taxes	24.3	-
Short-term Borrowings	25	-
Operating Lease Liability	10.2	-
Cash and Cash Equivalents	14.3	-
Current Portion of Long-term Borrowings	15	1 554 830
Total Liabilities		56 363 826

Net Assets**179 175 204**

Capital Replacement Reserve
Compensation for Occupational Injuries and Diseases Reserve
Donations and Public Contribution Reserve
Employee Benefits Reserve
Housing Development Fund
Non-Current Provisions Reserve
Revaluation Reserve
Self Insurance Reserve
Social Contribution Reserve
Valuation Roll Reserve
Accumulated Surplus/(Deficit)

26
26
26
26
26
26
26
26
26
26
26

739
-
-
-
455 059
-
-
-
-
-
178 719 405

Total Net Assets and Liabilities**235 539 030***Balance*

-

2017
R

Difference

SOCNA

Net Profit/(loss) Depreciation &
Amortisation

196 812 242

158 713 856	(27 054 564.96)		10 685 778.32
-	-		
37 841 867	90 777.66		90 777.66
256 520	91 801.35		91 801.35
-	-		
-	-		
-	-		
-	-		
-	-		

4 789 672

322 589	(235 890.37)
1 971 946	(1 427 226.38)
887 498	(648 379.65)
-	-
1 146	1 145.65
994 326	(2 046 997.10)
-	-
612 167	(2 707 781.33)
-	-

201 601 915

21 648 711

2 102 237	(1 554 829.93)	(107 330.87)
16 779 072	10 617 623.77	(1 994 712.09)
2 767 402	118 433.48	(10 150.00)
-	-	

18 160 428

1 315 976	92 683.97	
-	1 994 712.09	1 994 712.09
2 314 263	225 411.54	10 150.00
13 024 769	2 710 563.49	
57 921	2 242 757.74	
-	-	
-	-	
-	-	
-	-	
-	-	
1 447 499	107 330.87	107 330.87

39 809 139

161 792 776				
739	(0.00)			
-	-			
-	-			
-	-			
455 059	-			
-	-			
-	-			
-	-			
-	-			
161 336 977	17 382 428.11		17 382 428.08	
201 601 915	0.00	0.00	17 382 428.08	10 868 357.33

18 292 558.08

(910 130.00)

CASH RECEIPTS

1

Taxation

Rates Debtor - opening balance
Property Rates
Surcharges and Taxes
Interest Earned - Non-exchange Trans
Debt Impairment
Adjust Debt Impairment
Unwinding of Interest Earned on Recei

Rates Debtor - closing balance

2

Sale of Goods and Services

Service Debtor - opening balance
Service Charges
Service Debtor - closing balance
Debt Impairment
Adjust Debt Impairment
Bad Debts Written Off
Adjust Bad Debts Written Off
Taxes (Output) - opening balance
Taxes (Output) - opening closing
Unwinding of Interest Earned on Recei
Interest Earned - Exchange Transactio

3

Other Revenue

Other Receivables - opening balance
Other Receivables - closing balance
Public Contributions and Donations
Fines
Sales of Goods and Rendering of Serv
Fair Value Adjustments of Financial As
Adjust: Fair Value Adjustments of Fina
Rent on Land
Rental of Facilities and Equipment
Adjust: Operating Leases

Licences and Permits
Income for Agency Services
Operational Revenue
Taxes (Output) - opening balance
Taxes (Output) - opening closing

4 Government - Operating

Government Grants and Subsidies rec
Government Grants and Subsidies
Government Grants and Subsidies rec
Donation In-Kind
Repay to National Revenue Fund

5 Government - Capital

Government Grants and Subsidies rec
Government Grants and Subsidies
Government Grants and Subsidies rec
Repay to National Revenue Fund

6 Interest

Interest Earned - External Investments

7 Employee costs

Contribution - Non-Current Employee I
Benefits Paid - Non-Current Employee
Contribution - Current Employee Bene
Benefits Paid - Current Employee Ben
Actuarial Gain
Adjust Actuarial Gain
Employee related costs
Remuneration of Councillors
Adjust: MM Salary In-Kind
Actuarial Loss
Adjust Actuarial Loss
Finance Cost - Non-current Employee

8 Suppliers

Payables - opening balance
Payables - closing balance
Inventory - opening balance
Inventory - closing balance
Taxes (Input) - opening balance
Taxes (Input) - closing balance
Non-current Provisions - opening balan
Non-current Provisions - closing balan
Operating Lease Liability - opening bal
Operating Lease Liability - closing bal
Change in Provision for Rehabilitation
Unamortised Interest
Adjust Unamortised Interest
Finance Cost - Non-current Provisions
Adjust: Finance Cost - Non-current Prc

Depreciation
Adjust: Depreciation
Gain/(Loss) on Disposal
Adjust: Loss on Disposal
Impairment Loss
Adjust: Impairment Loss
Contracted Services
Bulk Purchases
Inventory Consumed
Operating Leases
Transfers and Subsidies
Water Losses
Operational Costs

9

Finance Costs

Creditors
Long-term Liabilities

Net cash from operating activities

Gain/(Loss) on disposal of PPE	Gain on disposal of PPE	Impairment loss	Reversal of impairment loss	IGRAP 2 Adjustment	MM Salary In-Kind
(1 522 601.57)				(11 276 872.88)	

11 276 872.88

284 939.89

(1 522 601.57)	-	-	-	-	284 939.89
----------------	---	---	---	---	------------

	11 103 583.53
	7 593 780.78
	4 517.90
actions	157 478.37
	(1 623 435.36)
	1 623 435.36
ivables	(65 616.00)

(12 010 458.12)
6 783 286.46

	44 568 739.15
	24 479 471.48
	(48 746 515.60)
	(2 632 034.92)
	2 632 034.94
	(943 094.23)
	943 094.23
	(3 600 198.28)
	3 058 896.98
ivables	(844 514.00)
ons	2 026 834.28
	20 942 714.03

	4 735 523.93
	(5 560 103.01)
	942 700.14
	6 383.70
rices	2 068 604.47
asset	1 364 940.42
ncial Asset	(1 364 940.42)
	321 185.98
	268 360.29
	1 145.65

6 646.10
389 409.95
74 399.83
581 555.57
(682 819.67)
3 152 992.93

Received	53 705 000.00
	51 747 182.15
Recognised	(51 462 242.26)
	(284 939.89)
	-
	53 705 000.00

Received	
Recognised	
	-

	441 939.16
	441 939.16

Benefits	368 568.00
Benefits	(248 803.00)
fits	1 689 886.13
efits	(1 474 624.59)
	17 164.00
	(17 164.00)
	(25 436 546.17)
	(2 445 929.43)
	284 939.89
	(25 982.00)
	25 982.00
Benefits	(250 944.00)
	(27 513 453.17)

	(13 024 769.04)
	15 735 332.53
	322 589.48
	(558 479.85)
	4 012 969.17
	(5 417 400.87)

nce
ce
lance
ance
Cost

	(1 335 462.98)
visions	1 335 462.98

(10 868 357.33)
10 868 357.33
1 522 601.57
(1 522 601.57)

(7 086 953.17)
(12 815 059.50)
(1 606 511.61)
(249 731.10)
-
(142 076.00)
(7 349 857.52)
<u>(28 179 947.48)</u>

(30 060.29)
(299 006.88)
<u>(329 067.17)</u>

<u>29 003 464.76</u>

-
29 003 464.76

NOTES

Donation In-Kind	Government Grants and Subsidies received	Government Grants and Subsidies recognised as revenue	Repaid to National Revenue Fund	Contribution landfill-sites	Contribution Current Employee Benefits
				1 335 462.98	
(284 939.89)	53 705 000.00	(51 462 242.26)			1 689 886.13

(284 939.89)	53 705 000.00	(51 462 242.26)	-	1 335 462.98	1 689 886.13
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Benefits Paid Current Employee Benefits	Contribution non- current Employee Benefits	Benefits Paid Non-Current Employee Benefits	Actuarial Loss	Actuarial Gain	Contribution bad debt
---	--	--	----------------	----------------	--------------------------

2 632 034.94
1 623 435.36

368 568.00 (248 803.00) 25 982.00 (17 164.00)

(1 474 624.59)

(1 474 624.59)	368 568.00	(248 803.00)	25 982.00	(17 164.00)	4 255 470.30
----------------	------------	--------------	-----------	-------------	--------------

Reversal of provision bad debt	Bad Debts written-off	Fair Value Adjustment	UD Interest Paid	UD Interest Received	Operating lease income
	943 094.23	(1 364 940.42)			1 145.65

-	943 094.23	(1 364 940.42)	-	-	1 145.65
---	------------	----------------	---	---	----------

Operating lease expense	Changes in working capital	Purchase PPE	Disposal PPE	Investment Property	Intangible Assets
----------------------------	-------------------------------	--------------	--------------	------------------------	----------------------

		(26 660 829.96)	1 719 961.16		
--	--	-----------------	--------------	--	--

(235 890.37)
(5 002 355.53)
(906 874.59)

(2 046 997.10)

2 710 563.49

-

-	(5 481 554.10)	(26 660 829.96)	1 719 961.16	-	-
---	----------------	-----------------	--------------	---	---

17 102 590.78	17 102 590.78	-
---------------	---------------	---

29 003 464.76

(5 380 290.00)
(101 264.10)

CASH FLOW STATEMENT

Heritage Assets	Agricultural Assets	Long-term Receivables	Non-current Investments	Loans raised	Consumer Deposits
-----------------	------------------------	--------------------------	----------------------------	--------------	----------------------

92 683.97

-	-	-	-	-	92 683.97
---	---	---	---	---	-----------

Loans repaid

Nett

(0.03)

-

(0.00)

(0.00)

-

-

-

-

-

-

(0.02)

-

-

-

-

-

(2 707 781.33)

-

(1 447 499.06)

-

-

0.48

-

(0.00)

-

0.00

-

(0.00)

-

-

-

-

-

-

(0.00)

-
-
-
-
-
-
-
-
-

0.03

(1 447 499.06)

(2 707 780.87)

		2018 R	2017 R
2.	PROPERTY, PLANT AND EQUIPMENT		
	See previous sheet		
	page 1		

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	34 320 969	6 498 142
Roads	4 058 146	3 417 420
Electricity	6 153 239	1 780 627
Water Supply	19 000 184	-
Sanitation	4 604 400	781 095
Solid Waste	505 000	519 000
Community Assets	38 522	38 522
Total Property, Plant and Equipment under construction	34 359 491	6 536 664
2.4 Property, Plant and Equipment where construction or development has been halted:		
Infrastructure Assets	5 543 892	1 173 111
Roads	282 532	282 532
Electricity	151 960	151 960
Sanitation	4 604 400	233 619
Solid Waste	505 000	505 000
Community Assets	38 522	-
Total	5 582 414	1 173 111
The municipality has started a process to investigate the projects for any possible misconduct, and non-compliance with health safety and environmental regulations.		
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Contracted Services	1 907 171	778 245
Total Repairs and Maintenance	1 907 171	778 245
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R2 143 753 (2017: R3 419 065) is secured for leases as set out in Note 3.		
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	6 290 813	1 355 444
Infrastructure	6 290 813	1 355 444
Community	-	-
Other	-	-
Total	6 290 813	1 355 444
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	6 290 813	1 355 444
Own Resources	-	-
District Council Grants	-	-
Total	6 290 813	1 355 444
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	37 841 867	37 928 322
Cost	38 623 962	38 428 062
Correction of Error - Note 43.2	-	195 900
Accumulated Depreciation	(778 097)	(691 642)
Accumulated Impairment Loss	(3 999)	(3 999)
Depreciation for the year	(90 778)	(86 455)
Net Carrying amount at 30 June	37 751 089	37 841 867
Cost	38 623 962	38 623 962
Accumulated Depreciation	(868 874)	(778 097)
Accumulated Impairment Loss	(3 999)	(3 999)
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	224 869	190 314
There are no Investment Property which is in the process of being constructed or developed.		
There are no Investment Property that are taking a significantly longer period of time to complete than expected.		
There are no Investment Property where construction or development has been halted.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

	2018 R	2017 R
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	256 520	241 813
Cost	769 227	673 164
Accumulated Amortisation	(512 707)	(431 351)
Accumulated Impairment Loss	-	-
Additions	-	102 116
Amortisation	(91 801)	(86 156)
Disposals	-	(6 053)
Amortisation written back on disposal	-	4 800
Net Carrying amount at 30 June	164 719	256 520
Cost	769 227	769 227
Accumulated Amortisation	(604 508)	(512 707)

There are no Intangible Assets which is in the process of being constructed or developed.

There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.

There are no Intangible Assets where construction or development has been halted.

No intangible asset were assed having an indefinite useful life.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There age no intangible assets pledged as security for liabilities.

There are no contractual commitments for the acquisition of intangible assets.

5. OPERATING LEASE ARRANGEMENTS

5.1 The Municipality as Lessor

Operating Lease Asset	-	1 146
<u>Disclosed as follows:</u>		
Non-Current Operating Lease Asset	-	-
Current Operating Lease Asset	-	1 146
	-	1 146

Reconciliation

Balance at the beginning of the year	1 146	5 009
Movement during the year	(1 146)	(3 863)
Balance at the end of the year	-	1 146

At the Statement of Financial Position date, where the municipality acts as a lessee under operating leases, it will pay operating lease expenditure as follows:

Up to 1 Year	-	50 072
1 to 5 Years	-	250 790
More than 5 Years	-	312 250
Total Operating Lease Arrangements	-	613 112

This operating lease expenditure determined from contracts that have a specific condition expenditure and does not include leases which has a undetermined conditional expenditure.

6. INVENTORY

Housing Stock	1	1
Materials and Supplies	546 839	314 014
Water	11 640	8 575
Work-in-progress	-	-
Total Inventory	558 480	322 589

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
6.1 Inventories recognise as an expense during the year:		
Materials and Supplies	523 058	598 723
Water	1 083 454	962 420
Total	1 606 512	1 561 143
6.2 Inventories written down due to losses as identified during the annual stores counts:		
Materials and Supplies	12 815	79 195
Total	12 815	79 195
No inventories were pledged as security for liabilities.		
7. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	4 208 089	3 567 256
Water	19 490 268	17 200 695
Property Rentals	2 372 445	2 106 663
Waste Management	11 509 613	10 659 720
Waste Water Management	10 345 980	9 495 864
Abeysance	2 644 276	3 679 918
Other Arrears	3 187 078	2 628 281
Correction of Error - Note 43.3	-	(34 714)
Total: Receivables from exchange transactions (before provision)	53 757 750	49 303 683
Less: Provision for Debt Impairment	(50 358 578)	(47 331 738)
Total: Receivables from exchange transactions (after provision)	3 399 172	1 971 946
Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.		
The fair value of receivables approximate their carrying value.		
<u>(Electricity): Ageing</u>		
Current (0 - 30 days)	666 520	972 817
31 - 60 Days	296 203	73 756
61 - 90 Days	86 170	66 218
+ 90 Days	3 159 195	2 454 466
Total	4 208 089	3 567 256
<u>(Water): Ageing</u>		
Current (0 - 30 days)	486 551	838 288
31 - 60 Days	301 407	214 419
61 - 90 Days	278 832	200 345
+ 90 Days	18 423 478	15 947 642
Total	19 490 268	17 200 695
<u>(Property Rentals): Ageing</u>		
Current (0 - 30 days)	(36 888)	61 683
31 - 60 Days	59 118	21 023
61 - 90 Days	22 369	21 023
+ 90 Days	2 327 846	2 002 933
Total	2 372 445	2 106 663
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	215 881	525 385
31 - 60 Days	180 125	133 482
61 - 90 Days	156 049	128 321
+ 90 Days	10 957 559	9 872 533
Total	11 509 613	10 659 720
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	226 719	528 688
31 - 60 Days	172 021	119 366
61 - 90 Days	147 176	112 913
+ 90 Days	9 800 064	8 734 897
Total	10 345 980	9 495 864

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
<u>(Abeyance): Ageing</u>		
Current (0 - 30 days)	587 826	1 042 676
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	2 056 450	2 637 241
Total	2 644 276	3 679 918

<u>(Other): Ageing</u>		
Current (0 - 30 days)	26 168	(352 162)
31 - 60 Days	42 037	23 548
61 - 90 Days	28 631	60 856
+ 90 Days	3 090 242	2 896 039
Total	3 187 078	2 628 281

<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 172 777	3 617 376
31 - 60 Days	1 050 911	585 595
61 - 90 Days	719 227	589 676
+ 90 Days	49 814 835	44 545 750
Total	53 757 750	49 338 397

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2018					
Current (0 - 30 days)	998 752	795 535	316 011	62 479	2 172 777
31 - 60 Days	29 013	718 836	272 873	30 189	1 050 911
61 - 90 Days	26 898	625 046	53 393	13 890	719 227
+ 90 Days	2 407 028	44 126 465	1 992 236	1 289 106	49 814 835
Sub-total	3 461 691	46 265 882	2 634 513	1 395 664	53 757 750
Less: Provision for Debt Impairment					(50 358 578)
Total debtors by customer classification					3 399 172

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2017					
Current (0 - 30 days)	1 220 648	1 808 948	472 104	115 675	3 617 375
31 - 60 Days	26 223	500 035	33 719	25 617	585 595
61 - 90 Days	22 292	515 638	33 052	18 694	589 676
+ 90 Days	3 331 773	38 586 149	1 568 749	1 024 366	44 511 037
Sub-total	4 600 936.61	41 410 770.39	2 107 625	1 184 351	49 303 683
Less: Provision for Debt Impairment					(47 331 738)
Total debtors by customer classification					1 971 946

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	47 331 738	41 979 468
Contribution to provision	2 632 035	4 694 974
VAT on provision	394 805	657 296
Reversal of provision	-	-
Balance at end of year	50 358 578	47 331 738

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
The total amount of this provision is R50 358 578 and consist of:		
Electricity	3 254 022	3 423 557
Water	18 557 357	16 507 804
Housing	-	2 152
Refuse	11 051 377	10 230 318
Sewerage	9 869 437	9 113 344
Commonage and Old Service	7 626 384	8 054 562
Total Provision for Debt Impairment on Receivables from exchange transactions	50 358 578	47 331 738

Ageing of amounts past due but not impaired:

1 month past due	1 050 911	-
2+ months past due	175 484	-
	1 226 395	-

8. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	12 010 458	11 103 584
Payments in Advance	500 000	500 000
Kai-Kai Development	25 294 065	23 929 124
Other Receivables	580	580
	37 805 103	35 533 288
Less: Provision for Debt Impairment	(36 269 225)	(34 645 790)
Total Receivables from non-exchange transactions	1 535 877	887 498

The fair value of other receivables approximate their carrying value.

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

(Rates): Ageing

Current (0 - 30 days)	48 601	262 178
31 - 60 Days	98 409	53 607
61 - 90 Days	76 399	39 543
+ 90 Days	11 787 050	10 748 256
Total	12 010 458	11 103 584

Summary of Debtors (Rates) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2018					
Current (0 - 30 days)	(9 412)	58 108	168	(264)	48 601
31 - 60 Days	-	87 710	10 698	-	98 409
61 - 90 Days	-	65 711	10 688	-	76 399
+ 90 Days	4 437 843	6 952 897	326 675	69 635	11 787 050
Sub-total	4 428 431	7 164 427	348 229	69 371	12 010 458
Less: Provision for Debt Impairment					(10 975 162)
Total debtors by customer classification					1 035 296

Summary of Debtors (Rates) by Customer Classification

	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2017				
Current (0 - 30 days)	742 516	40 222	-	782 737
31 - 60 Days	46 113	7 494	-	53 607
61 - 90 Days	36 386	3 157	-	39 543
+ 90 Days	9 895 454	262 921	69 321	10 227 697
Sub-total	10 720 469	313 794	69 321	11 103 584
Less: Provision for Debt Impairment				(10 716 667)
Total debtors by customer classification				386 916

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	34 645 790	32 522 911
Contribution to provision	1 623 435	2 122 879
Reversal of provision	-	-
Balance at end of year	36 269 225	34 645 790
The total amount of this provision is R36 269 225 and consist of:		
Taxes	10 975 162	10 716 667
Kai-Kai Development	25 294 064	23 929 123
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	36 269 225	34 645 790
<u>Ageing of amounts past due but not impaired:</u>		
1 month past due	98 409	53 607
2+ months past due	888 287	71 131
	986 695	124 738
9. BANK ACCOUNTS		
9.1 <u>Cash and Cash Equivalents</u>		
Current Accounts	289 405	537 432
Call Deposits and Investments	3 030 163	74 355
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	3 319 949	612 167
Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.		
The municipality has the following bank accounts:		
<u>Current Accounts</u>		
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	289 405	537 432
	289 405	537 432
<u>Call Deposits and Investments</u>		
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	1 500	1 000
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	1 000	40 065
First National Bank - Account Number 620 7204 0555 (FMG Account):	1 000	1 000
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	2 846	2 826
First National Bank - Account Number 620 9751 7571 (CRR Account):	63 608	739
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	10 105	10 032
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):	1 000	8 009
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	1	(0)
First National Bank - Account Number 622 3714 1099 (Library Account):	2 160	1 155
First National Bank - Account Number 622 7711 8313 (MIG Account):	2 938 414	1 000
First National Bank - Account Number 624 2665 8508 (EPWP):	1 000	1 000
	3 030 163	74 355
Details of current accounts is as follow:		
First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	537 432	358 998
Cash book balance at end of year	289 405	537 432
Bank statement balance at beginning of year	456 116	286 028
Bank statement balance at end of year	261 597	456 116
Details of call investment accounts are as follows:		
First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	1 000	2 828
Cash book balance at end of year	1 500	1 000
Bank statement balance at beginning of year	1 000	2 828
Bank statement balance at end of year	1 500	1 000

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	40 065	276 396
Cash book balance at end of year	1 000	40 065
Bank statement balance at beginning of year	40 065	276 396
Bank statement balance at end of year	1 000	40 065
First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	1 000	334 599
Cash book balance at end of year	1 000	1 000
Bank statement balance at beginning of year	1 000	334 599
Bank statement balance at end of year	1 000	1 000
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	2 826	160 411
Cash book balance at end of year	2 846	2 826
Bank statement balance at beginning of year	2 826	160 411
Bank statement balance at end of year	2 846	2 826
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	739	324 254
Cash book balance at end of year	63 608	739
Bank statement balance at beginning of year	739	324 254
Bank statement balance at end of year	63 608	739
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	10 032	187 316
Cash book balance at end of year	10 105	10 032
Bank statement balance at beginning of year	10 032	187 316
Bank statement balance at end of year	10 105	10 032
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):		
Cash book balance at beginning of year	7 530	7 530
Cash book balance at end of year	7 530	7 530
Bank statement balance at beginning of year	7 530	7 530
Bank statement balance at end of year	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	8 009	14 302
Cash book balance at end of year	1 000	8 009
Bank statement balance at beginning of year	8 009	14 302
Bank statement balance at end of year	1 000	8 009
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	(0)	347 145
Cash book balance at end of year	1	(0)
Bank statement balance at beginning of year	-	347 145
Bank statement balance at end of year	-	-
First National Bank - Account Number 622 3714 1099 (Library Account):		
Cash book balance at beginning of year	1 155	279 215
Cash book balance at end of year	2 160	1 155
Bank statement balance at beginning of year	1 155	279 215
Bank statement balance at end of year	2 160	1 155
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	1 000	-
Cash book balance at end of year	2 938 414	1 000
Bank statement balance at beginning of year	1 000	-
Bank statement balance at end of year	2 938 414	1 000

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
First National Bank - Account Number 624 2665 8508 (EPWP):		
Cash book balance at beginning of year	1 000	1 872
Cash book balance at end of year	1 000	1 000
Bank statement balance at beginning of year	1 000	1 872
Bank statement balance at end of year	1 000	1 000

10. LONG-TERM BORROWINGS

Capitalised Lease Liability - At amortised cost	2 102 237	3 549 736
2 102 237	3 549 736	
Less: Current Portion transferred to Current Liabilities	(1 554 830)	(1 447 499)
Capitalised Lease Liability - At amortised cost	(1 554 830)	(1 447 499)
547 407	2 102 237	
Total Long-term Borrowings	547 407	2 102 237

10.1 The obligations under finance leases are scheduled below:

		Minimum payments
Amounts payable under finance leases:		
Payable within one year	1 699 878	1 751 875
Payable within two to five years	585 267	2 258 562
Payable after five years	-	-
	2 285 145	4 010 437
Less: Future finance obligations	(182 908)	(460 701)
Present value of finance lease obligations	2 102 237	3 549 736

The capitalised lease liability consist out of the following contracts:

Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Bidvest	Vehicles	8% - 14%	0%	3 Years	01/07/2019

Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.

Hire Purchases and Leases are secured by property, plant and equipment - Note 2.

	2018 R	2017 R
11. NON-CURRENT PROVISIONS		
Provision for Rehabilitation of Landfill-sites	27 396 696	16 779 072
Total Non-current Provisions	27 396 696	16 779 072
11.1 Landfill Sites		
Balance 1 July	16 779 072	15 096 449
Contribution for the year	1 335 463	864 641
Change in Provision for Rehabilitation Cost	11 276 873	817 982
Total provision 30 June	29 391 408	16 779 072
Less: Transfer of Current Portion to Current Provisions	(1 994 712)	-
Balance 30 June	27 396 696	16 779 072

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows:

	Port Nolloth	Eksteensfontein	Lekkersing 1	Lekkersing 2	Kuboes 1	Kuboes 2	Sanddrift
Area (m²)	151 200	19 200	8 000	10 450	10 500	8 100	18 000
Rehabilitation volume (m³)	9 800	276	425	1 780	1 155	795	4 005
Fence (m)	350	250	360	100	670	-	600
Cost of fence (Rand)	250 250	178 750	257 400	71 500	479 050	-	429 000
Site Clearance (R40/m³)	754 600	21 252	32 725	137 060	88 935	61 215	308 385
Excavation cost (R40/m³)	2 455 500	121 080	114 150	499 920	315 863	162 000	1 615 980
Filling (R20/m²)	9 979 200	1 267 200	528 000	689 700	693 000	534 600	1 188 000
Preliminary and general (Rand)	2 015 933	238 242	139 841	209 727	236 527	113 672	531 205
Fees and expenses (Rand)	1 545 548	182 652	107 212	160 791	181 337	87 149	407 257

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost and date of decommission of the sites are as follows:

Location	Estimated decommission date	2018 R	2017 R
Port Nolloth	2033	34 151 328	20 341 758
Eksteensfontein	2038	5 092 464	3 910 855
Lekkersing 1	2033	2 369 010	2 332 611
Lekkersing 2	2023	2 231 676	1 591 573
Kuboes 1	2018	1 994 712	1 503 755
Kuboes 2	2038	2 429 761	2 405 373
Sanddrift	2028	7 132 078	4 755 324
		55 401 029	36 841 250

12. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 737 026	1 781 250
Provision for Long Service Awards	1 148 810	986 153
Total Non-current Employee Benefits	2 885 836	2 767 403

Post Retirement Health Care Benefits

Balance 1 July	1 964 289	1 770 943
Contribution for the year	164 714	144 177
Expenditure for the year	(183 390)	(193 992)
Actuarial Loss/(Gain)	(17 164)	243 161

Total provision 30 June

1 928 449 **1 964 289**

Less: Transfer of Current Portion to Current Provisions - Note 14

(191 423) (183 039)

Balance 30 June

1 737 026 **1 781 250**

Long Service Awards

Balance 1 July	1 061 146	1 161 209
Contribution for the year	203 854	206 863
Expenditure for the year	(65 413)	(85 715)
Actuarial Loss/(Gain)	25 982	(221 211)

Total provision 30 June

1 225 569 **1 061 146**

Less: Transfer of Current Portion to Current Provisions - Note 14

(76 759) (74 993)

Balance 30 June

1 148 810 **986 153**

12.1 Provision for Post Retirement Health Care Benefits

The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:

In-service (employee) members	-	-
Continuation members (e.g. Retirees, widows, orphans)	4	4
Total Members	4	4

2018 **2017**
R **R**

The liability in respect of past service has been estimated to be as follows:

Continuation members	1 928 450	1 964 290
Total Liability	1 928 450	1 964 290

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 R	2015 R	2014 R
In-service members	-	-	768 995
Continuation members	1 770 943	1 746 642	1 731 631
Total Liability	1 770 943	1 746 642	2 500 626

The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

LA Health

The Current-service Cost for the ensuing year is estimated to be R0, whereas the Interest Cost for the next year is estimated to be R164 581.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Key actuarial assumptions used:	2018 %	2017 %
i) Rate of interest		
Discount rate	8.97%	8.79%
Health Care Cost Inflation Rate	7.02%	7.10%
Net Effective Discount Rate	1.82%	1.57%

ii) Mortality rates

The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.

iii) Normal retirement age

The normal retirement age for employees of the municipality is 65 years (males) and 60 years (females).

iv) Expected rate of salary increases

2018/2019 - 7% + additional 0,5% for employees who earn a basic salary of R9 000 or less.

The three-year Salary and Wage Collective Agreement ends on 30 June 2021.

	2018 R	2017 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 928 449	1 964 289
Fair value of plan assets	-	-
	<u>1 928 449</u>	<u>1 964 289</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	<u>1 928 449</u>	<u>1 964 289</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 964 289	1 770 943
Total expenses	(18 676)	(49 815)
Current service cost	-	-
Interest Cost	164 714	144 177
Benefits Paid	(183 390)	(193 992)
Actuarial (gains)/losses	(17 164)	243 161
Present value of fund obligation at the end of the year	<u>1 928 449</u>	<u>1 964 289</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2018

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	-	1.928	1.928

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation	1%	-	2.083	2.083	8%
Health care inflation	-1%	-	1.791	1.791	-7%
Post-retirement mortality	-1 year	-	2.012	2.012	4%

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	-	164 600	164 600

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
Health care inflation	1%	-	178 400	178 400	8%
Health care inflation	-1%	-	152 300	152 300	-7%
Post-retirement mortality	-1 year	-	172 100	172 100	5%

	2018 Rm	2017 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	(0.017)	0.243
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / loss	0.057	0.834	0.019
Assets: Gain / (loss)	-	-	-
	2018 R	2017 R	

12.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 107 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R132 315 whereas the Interest Cost for the next year is estimated to be R100 502.

	2018 %	2017 %
Key actuarial assumptions used:		
i) Rate of interest		
Discount rate	8.46%	8.42%
General Salary Inflation (long-term)	6.09%	6.24%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2.23%	2.05%

	2018 R	2017 R
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	1 225 569	1 061 146
Fair value of plan assets	-	-
	1 225 569	1 061 146
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	1 225 569	1 061 146

Reconciliation of present value of fund obligation:

	2018 R	2017 R
Present value of fund obligation at the beginning of the year	1 061 146	1 161 209
Total expenses	138 441	121 148
Current service cost	117 624	115 744
Vested past service cost	-	-
Interest Cost	86 230	91 119
Benefits Paid	(65 413)	(85 715)
Actuarial (gains)/losses	25 982	(221 211)
Present value of fund obligation at the end of the year	1 225 569	1 061 146

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2018

Assumption	Change	Liability (Rm)	% change
Central assumptions		1.226	
General salary inflation	1%	1.299	6%
General salary inflation	-1%	1.159	-5%
Average retirement age	-2 yrs	1.080	-12%
Average retirement age	2 yrs	1.344	10%
Withdrawal rates	-50%	1.436	17%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2019

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	132 300	100 500	232 800

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation	1%	142 800	106 700	249 500	7%
Health care inflation	-1%	122 900	94 900	217 800	-6%
Discount rate	1%	123 900	105 900	229 800	-1%
Discount rate	-1%	141 900	94 300	236 200	1%
Post-retirement mortality	-2 year	116 500	88 200	204 700	-12%
Average retirement age	2 year	142 900	110 500	253 400	9%
Withdrawal Rate	-50%	171 200	118 300	289 500	24%

	2018 Rm	2017 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0.040	(0.166)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2016 Rm	2015 Rm	2014 Rm
Liabilities: (Gain) / loss	0.047	(0.079)	0.044
Assets: Gain / (loss)	-	-	-
	2018 R	2017 R	

12.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
<u>CAPE JOINT RETIREMENT FUND</u>		
The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2016 revealed that the fund is in a sound financial position with a funding level of 100,5% (30 June 2015 - 100,4%).		
Contributions paid recognised in the Statement of Financial Performance	1 013 026	857 457
<u>DEFINED CONTRIBUTION FUNDS</u>		
Council contribute to the SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.		
Contributions paid recognised in the Statement of Financial Performance		
SAMWU National Provident Fund	1 506 131	1 506 103
	1 506 131	1 506 103
13. CONSUMER DEPOSITS		
Electricity	953 079	914 935
Rental Properties	55 239	27 849
Posters	3 534	3 534
Refuse	396 808	369 658
Total Consumer Deposits	1 408 660	1 315 976
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
14. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	628 482	581 929
Staff Leave	1 643 011	1 474 302
Current Portion of Non-Current Provisions	268 182	258 032
Current Portion of Post Retirement Benefits - Note 12	191 423	183 039
Current Portion of Long-Service Provisions - Note 12	76 759	74 993
Total Provisions	2 539 674	2 314 263
The movement in current provisions are reconciled as follows:		
14.1 Staff Bonuses		
Balance at beginning of year	581 929	601 130
Contribution for the year	1 382 358	1 298 837
Expenditure incurred	(1 335 806)	(1 318 038)
Balance at end of year	628 482	581 929
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
14.2 Staff Leave		
Balance at beginning of year	1 474 302	1 362 606
Contribution for the year	307 528	380 241
Expenditure incurred	(138 819)	(268 546)
Balance at end of year	1 643 011	1 474 302
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	13 824 800	9 861 864
Advance Payments	874 078	1 801 033
Control, Clearing and Interface Accounts	43 369	27 260
Other Payables	202 231	120 562
Retentions	790 855	1 234 104
Correction of Error - Note 43.4	-	(20 054)
Total Trade Payables	15 735 333	13 024 769
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

16. UNSPENT TRANSFERS AND SUBSIDIES

Unspent Transfers and Subsidies	2 300 679	57 921
National Government Grants	2 243 758	0
Provincial Government Grants	162	1 162
District Municipality	-	-
Other Sources	56 759	56 759
Less: Unpaid Transfers and Subsidies	-	-
National Government Grants	-	-
Provincial Government Grants	-	-
District Municipality	-	-
Other Sources	-	-
Total Unspent Transfers and Subsidies	2 300 679	57 921

See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

17. TAXES

17.1 VAT Payable	1 160 101	(64 929)
VAT Output in Suspense	(3 536 179)	(2 953 714)
Less: Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	(2 376 077)	(3 018 643)
17.2 VAT Receivable	0	-
VAT Input in Suspense	5 417 401	3 919 419
Total VAT Receivable	5 417 401	3 919 419
Correction of Error - Note 43.5	-	93 550
17.3 Net VAT (Payable)/Receivable	3 041 324	994 326

VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.

18. SHORT-TERM BORROWINGS

The Municipality has no short term borrowings.

19. NET ASSET RESERVES

RESERVES	455 799	455 799
Capital Replacement Reserve	739	739
Housing Development Fund	455 060	455 060
Total Net Asset Reserve and Liabilities	455 799	455 799

19.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.

19.2

The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.

20. PROPERTY RATES

Actual

Rateable Land and Buildings	9 888 886	8 479 626
Less: Revenue Forgone	(2 295 105)	(2 712 197)
Total Property Rates	7 593 781	5 767 429

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
Valuations - 1 July 2013		
Rateable Land and Buildings	1 016 384 267	925 222 917
Business and Commercial Property	102 251 300	153 393 445
Industrial Property	4 623 200	4 623 200
Mining Properties	62 816 000	62 816 000
Residential Properties	637 064 657	585 033 009
State-owned Properties	19 011 900	86 219 763
Agricultural Property	190 617 210	33 137 500
Total Assessment Rates	1 016 384 267	925 222 917

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.0546c/R	0.9912c/R
Commercial and Industrial	1.2272c/R	1.3156c/R
Agriculture	0.1626c/R	0.1528c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	- The first R25 000 on the valuation is exempted.
Indigents -	- The first R75 000 on the valuation is exempted.
Pensioners -	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

21. GOVERNMENT GRANTS AND SUBSIDIES

Government Grants and Subsidies - Operating	18 411 940	17 944 796
Equitable Share	14 115 000	13 498 000
Expanded Public Works Programme Integrated Grant	1 000 000	483 175
Local Government Financial Management Grant	1 900 000	1 900 845
Municipal Infrastructure Grant	-	(57 742)
Libraries, Archives and Museums	1 112 000	1 439 766
Accelerated Infrastructure Programme	-	47 067
Namakwa District Municipality Grant	-	31
Alexkor	-	8 850
Construction, Education and Training SETA	-	36 525
Other	284 940	588 279
Government Grants and Subsidies - Capital	33 335 242	9 107 387
Integrated National Electrification Programme Grant	6 886 945	1 500 000
Local Government Financial Management Grant	-	34 750
Municipal Infrastructure Grant	250 000	6 897 902
Water Services Infrastructure Grant	6 000 000	-
Expanded Public Works Programme Integrated Grant	-	503 374
Municipal Disaster Grant	20 198 297	-
Libraries, Archives and Museums	-	171 362
Total Government Grants and Subsidies	51 747 182	27 052 183

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
Included in above are the following grants and subsidies received:		
Unconditional	14 115 000	13 498 000
Equitable Share	14 115 000	13 498 000
Conditional	37 632 182	13 554 183
Local Government Financial Management Grant	1 900 000	1 935 595
Expanded Public Works Programme Integrated Grant	1 000 000	986 549
Libraries, Archives and Museums	1 112 000	1 611 128
Construction, Education and Training SETA	-	36 525
Integrated National Electrification Programme Grant	6 886 945	1 500 000
Municipal Infrastructure Grant	534 940	6 840 160
Municipal Disaster Grant	20 198 297	-
Water Services Infrastructure Grant	6 000 000	-
Namakwa District Municipality Grant	-	31
Alexkor	-	8 850
Accelerated Infrastructure Programme	-	47 067
Other	-	588 279
Total Government Grants and Subsidies	51 747 182	27 052 183

Revenue recognised per vote as required by Section 123 (c) of the MFMA:

Equitable share	14 115 000	13 498 000
Executive and council	-	633 653
Finance and Administration	2 900 000	2 922 143
Community and Social Services	1 112 000	1 611 128
Road Transport	284 940	6 216 037
Energy Sources	6 886 945	1 500 032
Water Management	6 000 000	47 067
Waste Water Management	20 448 297	624 123
Waste Management	-	-
Total Government Grants and Subsidies	51 747 182	27 052 183

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

21.1 **Equitable Share**

Opening balance	-	-
Correction of Error	-	-
Grants received	14 115 000	13 498 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(14 115 000)	(13 498 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

21.2 **Local Government Financial Management Grant (FMG)**

Opening balance	-	110 595
Correction of Error	-	-
Grants received	1 900 000	1 825 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 900 000)	(1 900 845)
Conditions met - Capital	-	(34 750)
Conditions still to be met	-	(0)

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
21.3 <u>Municipal Systems Improvement Grant (MSIG)</u>		
Opening balance	-	193 711
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	(193 711)
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
The Municipal Systems Improvement Grant was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
21.4 <u>Municipal Infrastructure Grant (MIG)</u>		
Opening balance	-	(160 840)
Correction of Error	-	-
Grants received	7 382 000	7 001 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	57 742
Conditions met - Capital	(5 251 297)	(6 897 902)
Conditions still to be met	2 130 703	-
The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.		
21.5 <u>Integrated National Electrification Grant</u>		
Opening balance	-	627 078
Correction of Error	-	-
Grants received	7 000 000	1 500 000
Interest received	-	-
Repaid to National Revenue Fund	-	(627 078)
Conditions met - Operating	-	-
Conditions met - Capital	(6 886 945)	(1 500 000)
Conditions still to be met	113 055	-
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
21.6 <u>Municipal Disaster Grant</u>		
Opening balance	-	-
Correction of Error	-	-
Grants received	15 197 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(15 197 000)	-
Conditions still to be met	-	-
The Housing grant was utilised for the development of erven and the erection of top structures.		
21.7 <u>Library Grant</u>		
Opening balance	1 162	48 290
Correction of Error	-	-
Grants received	1 111 000	1 564 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 112 000)	(1 439 766)
Conditions met - Capital	-	(171 362)
Conditions still to be met	162	1 162
The grant was used to finance library activities.		
21.8 <u>Expanded Public Works Programme</u>		
Opening balance	-	(13 451)
Correction of Error	-	-
Grants received	1 000 000	1 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 000 000)	(483 175)
Conditions met - Capital	-	(503 374)
Conditions still to be met	-	-
The grant was used for job creation.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
21.9 Accelerated Infrastructure Programme		
Opening balance	-	47 067
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(47 067)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
The grant was used to facilitate cultural groups.		
21.10 Water Services Infrastructure Grant		
Opening balance	-	-
Correction of Error	-	-
Grants received	6 000 000	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(6 000 000)	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
The grant was used to construct water infrastructure.		
21.11 LG SETA		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	36 525
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(36 525)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
The grant was used for attending of trainings accredited by LGSETA		
21.12 ALEXKOR		
Opening balance	56 759	65 609
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(8 850)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	56 759	56 759
	<hr/>	<hr/>
The grant was used for various projects.		
21.13 Namakwa District Municipality Grant		
Opening balance	-	31
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(31)
Conditions met - Capital	-	-
	<hr/>	<hr/>
Conditions still to be met	-	-
	<hr/>	<hr/>
The grant was used for various projects identified by Namakwa District Municipality.		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
21.14 Other (In-Kind Coghta)		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	588 279
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	(588 279)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The department of Corporate Governance, Human Settlements and Traditional Affairs has second mr. Maposa to act as Municipal Manager at Richtersveld Municipality. This service in-kind has been recognised as revenue in terms of GRAP 23.		
21.15 Total Grants		
Opening balance	57 921	918 091
Correction of Error	-	-
Grants received	53 705 000	27 012 803
Interest received	-	-
Repaid to National Revenue Fund	-	(820 789)
Conditions met - Operating	(18 127 000)	(17 944 796)
Conditions met - Capital	(33 335 242)	(9 107 387)
Conditions still to be met/(Grant expenditure to be recovered)	2 300 679	57 921
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	2 300 679	57 921
Unpaid Conditional Government Grants and Receipts	-	-
Total	2 300 679	57 921
22. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	942 700	1 520 991
Total Public Contributions and Donations	942 700	1 520 991
23. LICENCES AND PERMITS		
Trading	628	642
Road and Transport	6 018	91 404
Total Licences and Permits	6 646	92 046
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	-	-
Revenue from Exchange Transactions	6 646	92 046
Total Licences and Permits	6 646	92 046
24. SERVICE CHARGES		
Electricity	11 034 657	9 833 878
Service Charges	11 360 744	10 362 328
Less: Revenue Forgone	(326 087)	(528 449)
Water	5 656 571	4 517 665
Service Charges	6 476 720	5 046 114
Less: Revenue Forgone	(820 149)	(528 449)
Waste Management	3 516 979	3 058 462
Service Charges	4 661 622	3 586 911
Less: Revenue Forgone	(1 144 643)	(528 449)
Waste Water Management	4 271 265	3 922 423
Service Charges	5 434 811	4 450 872
Less: Revenue Forgone	(1 163 546)	(528 449)
Correction of Error - Note 43.7	-	(34 714)
Total Service Charges	24 479 471	21 297 715

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
25. SALES OF GOODS AND RENDERING OF SERVICES		
Advertisements	18 360	13 376
Building Plan Approval	112 942	211 701
Camping Fees	1 640 869	1 509 046
Cemetery and Burial	6 043	10 418
Cleaning and Removal	-	140
Entrance Fees	6 379	115 085
Management Fees	38 700	33 789
Photocopies and Faxes	5 698	-
Sale of Goods	54 112	3 763
Scrap, Waste & Other Goods	103 852	-
Stone and Gravel	-	701
Streets/Street Markets (Informal Traders)	81 649	-
Total Sales of Goods and Rendering of Services	2 068 604	1 898 019
26. RENT ON LAND		
Land	306 994	439 998
Grazing Fees	306 994	439 998
Prospecting, Mining and Royalties	7 096	-
Royalties	7 096	-
Servitudes	7 096	-
Total Rent on Land	321 186	439 998
27. RENTAL FROM FIXED ASSETS		
Investment Property	200	214 626
Property, Plant and Equipment	268 160	25 547
Total Rental from Fixed Assets	268 360	240 173
28. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	441 939	186 692
Total Interest Earned - External Investments	441 939	186 692
29. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	2 026 834	2 715 278
Total Interest Earned - Outstanding Receivables	2 026 834	2 715 278
30. OPERATIONAL REVENUE		
Administrative Handling Fees	-	6 441
Breakages and Losses Recovered	-	303
Commission	16 321	15 805
Incidental Cash Surpluses	2 950	-
Insurance Refund	-	221 902
Request for Information	55 016	65 219
Staff Recoveries	113	-
Total Operational Revenue	74 400	309 670
31. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	18 160 552	18 128 662
Pension and UIF Contributions	2 691 241	2 370 000
Medical Aid Contributions	615 559	505 669
Overtime	746 810	938 062
Bonuses	1 382 358	1 298 837
Motor Vehicle Allowance	370 337	333 031
Cell Phone Allowance	46 655	-
Housing Allowances	751 495	89 594
Other benefits and allowances	246 386	204 314
Payments in lieu of leave	307 528	380 241
Long Service Awards - Note 12.2	117 624	115 744
Correction of Error - Note 43.7	-	3 465
	25 436 546	24 367 619
Less: Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
Total Employee Related Costs	25 436 546	24 367 619

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

KEY MANAGEMENT PERSONNEL

Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.

	2018 R	2017 R
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - D Maposa (acting)</i>		
Basic Salaries and Wages	162 284	373 928
Contributions to UIF, Medical and Pension Funds	-	1 502
Cell Phone Allowance	2 500	-
Other benefits and allowances	-	4 762
Services In-kind	284 940	588 279
Total	449 724	968 471
<i>Remuneration of the Chief Financial Officer - ME Basson</i>		
Basic Salaries and Wages	483 677	426 618
Contributions to UIF, Medical and Pension Funds	1 884	1 906
Annual Bonus	46 674	33 024
Motor Vehicle Allowance	72 000	-
Cell Phone Allowance	18 000	-
Other benefits and allowances	173 810	229 299
Total	796 045	690 847
<i>Remuneration of Director : Corporate Services - EE Cloete</i>		
Basic Salaries and Wages	366 829	259 109
Contributions to UIF, Medical and Pension Funds	77 880	72 161
Annual Bonus	21 250	21 592
Motor Vehicle Allowance	92 726	-
Cell Phone Allowance	7 864	-
Housing Allowances	42 000	-
Other benefits and allowances	88 650	135 694
Total	697 199	488 556
<i>Remuneration of Director : Infrastructure Manager - JX Komanisi</i>		
Basic Salaries and Wages	430 396	396 292
Contributions to UIF, Medical and Pension Funds	1 884	1 905
Annual Bonus	35 006	33 024
Motor Vehicle Allowance	120 000	-
Cell Phone Allowance	12 000	-
Housing Allowances	25 204	-
Other benefits and allowances	106 606	229 299
Total	731 096	660 520
<i>Remuneration of Director : Strategic Planning Manager - SC Adams</i>		
Basic Salaries and Wages	445 551	282 154
Contributions to UIF, Medical and Pension Funds	128 517	119 851
Motor Vehicle Allowance	47 184	-
Cell Phone Allowance	6 291	-
Housing Allowances	42 000	-
Other benefits and allowances	86 228	91 809
Annual Bonus	25 243	37 229
Total	781 014	531 043
32. REMUNERATION OF COUNCILLORS		
AM Jansen	786 053	712 047
G Beukes	276 646	227 653
WJP Links	276 646	227 653
R Jonker	276 646	227 653
S Isaaks	276 646	209 825
A Bock	276 646	209 825
CJ Stuurman	276 646	209 825
LR Ambrosini	-	23 690
CF Richter	-	23 690
E Hausiku	-	23 690
T Swartbooi	-	23 690
Total Councillors' Remuneration	2 445 929	2 119 241

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	578 142	180 399	27 512	-	786 053
Councillors	1 162 943	331 862	165 072	-	1 659 876
Total Councillors' Remuneration	1 741 085	512 260	192 584	-	2 445 929

In-kind Benefits

The Mayor is a full-time Councillor. He is provided with an office and shared secretarial support at the cost of the Municipality.

	2018 R	2017 R
33. CONTRACTED SERVICES		
Outsourced Services	11 800	39 121
Consultants and Professional Services	4 610 165	2 620 417
Contractors	2 464 988	1 514 509
Total Contracted Services	7 086 953	4 174 047
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	10 685 778	7 005 258
Intangible Assets	91 801	86 156
Investment Property carried at cost	90 778	86 455
Correction of Error - Note 43.7	-	2 278 435
Total Depreciation and Amortisation	10 868 357	9 456 305
35. FINANCE COSTS		
Long-term Borrowings	299 007	449 185
Non-current Provisions	1 335 463	864 641
Non-current Employee Benefits	250 944	235 296
Payables	30 060	109 084
Overdraft Facilities	-	185
Total Finance Costs	1 915 474	1 658 391
36. BULK PURCHASES		
Electricity	12 815 060	11 706 043
Total Bulk Purchases	12 815 060	11 706 043
37. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	153 241	125 350
Assets less than the Capitalisation Threshold	11 218	5 670
Audit Fees	919 661	1 759 825
Bank Charges, Facility and Card Fees	87 073	78 785
Beach Festival	403 154	-
Cleaning Services	-	4 252
Commission	268 091	299 626
Courier and Delivery Services	30 164	32 427
Communication	508 788	511 782
Entertainment	106 592	138 372
External Computer Service	692 784	730 021
Hire Charges	-	77 794
Insurance Underwriting	925 227	959 446
Levies Paid - Water Resource Management Charges	-	2 857
Licences	80 074	132 284
Printing, Publications and Books	168 010	10 141
Professional Bodies, Membership and Subscription	551 043	545 708
Remuneration to Ward Committees	203 000	200 000
Skills Development Fund Levy	238 054	210 731
Transport Provided as Part of Departmental Activities	-	4 500
Travel and Subsistence	843 499	759 549
Uniform and Protective Clothing	24 507	71 242
Wet Fuel	1 135 678	768 026
Incidental Cash Surpluses	-	2 928
Correction of Error - Note 43.7	-	(117 069)
Total Operational Costs	7 349 858	7 314 247

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
38. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 7	2 632 035	4 694 974
Receivables from Non-exchange Revenue - Note 8	1 623 435	2 122 879
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	4 255 470	6 817 852
39. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	1 522 602	2 679 120
Total Gains/ (Loss) on Sale of Fixed Assets	1 522 602	2 679 120
40. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
Property, Plant and Equipment	-	403 876
	-	403 876
Less: Allocated against Provision for Rehabilitation of Landfill-Sites - Note 11	-	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	-	403 876
41. WATER LOSSES		
Real Losses	142 076	252 849
Total Water Losses	142 076	252 849
42. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA		

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. The reclassification of 2017 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Capital Replacement Reserve	739	-	739
Housing Development Fund	455 059	-	455 059
Accumulated Surplus/(Deficit)	112 020 601	-	112 020 601
Long-term Liabilities	2 102 237	(2 102 237)	-
Long-term Borrowings	-	2 102 237	2 102 237
Non-current Provisions	16 779 072	-	16 779 072
Non-current Employee Benefits	2 767 402	-	2 767 402
Consumer Deposits	914 935	401 041	1 315 976
Current Employee Benefits	2 314 263	-	2 314 263
Payables from exchange transactions	13 445 863	(13 445 863)	-
Trade and Other Payables from Exchange Transactions	-	13 044 823	13 044 823
Unspent Conditional Government Grants and Receipts	57 921	(57 921)	-
Unspent Transfers and Subsidies	-	57 921	57 921
Current Portion of Long-term Liabilities	1 447 499	(1 447 499)	-
Current Portion of Long-term Borrowings	-	1 447 499	1 447 499
Property, Plant and Equipment	109 672 270	-	109 672 269
Investment Property	37 645 967	-	37 645 967
Intangible Assets	256 520	-	256 520
Inventory	322 589	-	322 589
Receivables from exchange transactions	1 986 680	19 979	2 006 659
Receivables from non-exchange transactions	907 477	(19 979)	887 498
Operating Lease Asset	1 146	-	1 146
Taxes	900 776	-	900 776
Cash and Cash Equivalents	612 167	-	612 167
		-	

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Performance			
Property Rates	8 479 626	(2 712 197)	5 767 429
Government Grants and Subsidies	26 463 904	588 279	27 052 183
Public Contributions and Donations	1 522 751	(1 760)	1 520 991
Fines	113 062	(113 062)	-
Fines, Penalties and Forfeits	-	115 703	115 703
Interest Earned - Non-exchange Transactions	-	1 471 266	1 471 266
Other Revenue from Non-exchange Transactions	588 279	(588 279)	-
Property Rates - penalties imposed and collection charges	1 471 266	(1 471 266)	-
Service Charges	22 226 160	(893 732)	21 332 428
Sales of Goods and Rendering of Services	-	1 898 019	1 898 019
Rent on Land	-	439 998	439 998
Rental from Fixed Assets	1 946 956	(1 706 782)	240 173
Interest Earned - external investments	186 692	-	186 692
Interest Earned - Exchange Transactions	2 715 278	-	2 715 278
Licences and Permits	301 193	(209 148)	92 046
Agency Services	431 378	(42 291)	389 087
Other Income from Exchange Transactions	787 234	(787 234)	-
Operational Revenue	-	309 670	309 670
Employee related costs	(24 919 349)	555 195	(24 364 154)
Remuneration of Councillors	(2 119 241)	-	(2 119 241)
Debt Impairment	(6 817 852)	6 817 852	-
Contracted Services	(1 806 331)	(2 367 716)	(4 174 047)
Depreciation and Amortisation	(7 177 869)	-	(7 177 869)
Actuarial Losses	(21 950)	-	(21 950)
Finance Costs	(1 658 316)	(75)	(1 658 391)
Bulk Purchases	(12 921 312)	1 215 269	(11 706 043)
Inventory Consumed	-	(1 561 143)	(1 561 143)
Operating Leases	-	(245 248)	(245 248)
Transfers and Subsidies	-	(11 500)	(11 500)
Operational Costs	(13 720 864)	6 289 548	(7 431 316)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	-	(6 817 852)	(6 817 852)
Gains/(Loss) on Sale of Fixed Assets	(2 760 464)	81 344	(2 679 120)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	(403 866)	(10)	(403 876)
Net Surplus/(Deficit) for the year	(7 093 635)	0	(7 093 635)

43. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

	2018 R	2017 R
43.1 Property, Plant and Equipment		
Balance previously reported	-	109 672 269
Cost	-	52 410 521
Community Assets recognised incorrectly in periods before 1 July 2016 - Note 2	-	212 254
Infrastructure Assets recognised incorrectly in periods before 1 July 2016 - Note 2	-	52 970 738
Infrastructure Assets recognised incorrectly in 2016/2017 - Note 2	-	(1 252 179)
Land and Buildings recognised incorrectly in periods before 1 July 2016 - Note 2	-	479 707
Accumulated Depreciation and Impairment	-	(3 368 935)
Accumulated Depreciation on Community Assets recognised incorrectly in periods before 1 July 2016 - Note 2	-	87 340
Accumulated Depreciation on Infrastructure Assets recognised incorrectly in periods before 1 July 2016 - Note 2	-	(1 191 612)
Accumulated Depreciation on Buildings recognised incorrectly in periods before 1 July 2016 - Note 2	-	13 773
Depreciation on Community Assets recognised incorrectly in 2016/2017 - Note 2	-	(20 520)
Depreciation on Infrastructure Assets recognised incorrectly in 2016/2017 - Note 2	-	(2 229 732)
Depreciation on Buildings recognised incorrectly in 2016/2017 - Note 2	-	(28 183)
Restated Balance	-	158 713 856
Reconstruction of Asset Register.		
43.2 Investment Property		
Balance previously reported	-	37 645 967
Investment Property recognised incorrectly in periods before 1 July 2016 - Note 3	-	195 900
Restated Balance	-	37 841 867
Investment Property recognised incorrectly in prior years.		
43.3 Receivables from Exchange Transactions		
Balance previously reported	-	2 006 659
Correction of Consumer Accounts in 2016/2017 - Note 7	-	(34 714)
Restated Balance	-	1 971 946
Correction of consumer accounts.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
43.4 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	13 044 823
Payables recognised incorrectly in 2016/2017 - Note	-	(20 054)
Restated Balance	-	13 024 769
Creditors recognised incorrectly in prior years.		
43.5 Taxes		
Balance previously reported	-	900 776
Input Taxes not claimed in prior years - Note 17	-	93 550
Restated Balance	-	994 326
Input Taxes not claimed in prior years.		
43.6 Accumulated Surplus/(Deficit) - 1 July 2016		
Investment Property recognised incorrectly - Note 43.2	-	195 900
Community Assets recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	212 254
Infrastructure Assets recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	52 970 738
Infrastructure Assets recognised incorrectly in 2016/2017 - Note 43.1	-	(1 252 179)
Land and Buildings recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	479 707
Accumulated Depreciation on Community Assets recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	87 340
Accumulated Depreciation on Infrastructure Assets recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	(1 191 612)
Accumulated Depreciation on Buildings recognised incorrectly in periods before 1 July 2016 - Note 43.1	-	13 773
Total	-	51 515 922

43.7 Changes to Statement of Financial Performance

Movement on operating account as a result of GRAP standards not implemented in prior years:

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates		5 767 429	-	5 767 429
Government Grants and Subsidies		27 052 183	-	27 052 183
Public Contributions and Donations		1 520 991	-	1 520 991
Fines, Penalties and Forfeits		115 703	-	115 703
Interest Earned - Non-exchange Transactions		1 471 266	-	1 471 266
Service Charges	43.3	21 332 428	(34 714)	21 297 715
Sales of Goods and Rendering of Services		1 898 019	-	1 898 019
Rent on Land		439 998	-	439 998
Rental from Fixed Assets		240 173	-	240 173
Interest Earned - External Investments		186 692	-	186 692
Interest Earned - Exchange Transactions		2 715 278	-	2 715 278
Licences and Permits from Exchange Transactions		92 046	-	92 046
Agency Services		389 087	-	389 087
Operational Revenue		309 670	-	309 670
Total		63 530 964	(34 714)	63 496 251
Expenditure				
Employee related costs	43.4	(24 364 154)	(3 465)	(24 367 619)
Remuneration of Councillors		(2 119 241)	-	(2 119 241)
Contracted Services		(4 174 047)	-	(4 174 047)
Depreciation and Amortisation	43.1	(7 177 869)	(2 278 435)	(9 456 305)
Actuarial Losses		(21 950)	-	(21 950)
Finance Costs		(1 658 391)	-	(1 658 391)
Bulk Purchases		(11 706 043)	-	(11 706 043)
Inventory Consumed		(1 561 143)	-	(1 561 143)
Operating Leases		(245 248)	-	(245 248)
Transfers and Subsidies		(11 500)	-	(11 500)
Operational Costs	43.4	(7 431 316)	117 069	(7 314 247)
Total		(60 470 902)	(2 164 832)	(62 635 733)
Gains and Losses				
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value		-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables		(6 817 852)	-	(6 817 852)
Gains/(Loss) on Sale of Fixed Assets		(2 679 120)	-	(2 679 120)
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets		(403 876)	-	(403 876)
Total		(10 153 698)	-	(10 153 698)
Net Surplus/(Deficit) for the year		(7 093 635)	(2 199 545)	(9 293 180)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
44. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	17 382 428	(9 293 180)
Adjustments for:		
Depreciation and Amortisation	10 868 357	7 186 845
(Gain)/Loss on Sale of Assets	(1 522 602)	2 760 464
Impairment Loss/(Reversal of Impairment Loss)	-	403 866
Fair Value Adjustments of Financial Asset	(1 364 940)	-
Discounting of Receivables	910 130	-
Interest not levied - Non-exchange Transactions	(65 616)	-
Interest not levied - Exchange Transactions	(844 514)	-
Contributed Property, Plant and Equipment	-	(1 274 602)
Government Grants and Subsidies received	53 705 000	27 012 803
Government Grants and Subsidies recognised as revenue	(51 462 242)	(27 052 183)
Government Grants repaid to National Revenue Fund	-	(820 789)
Contribution to provisions – Non-Current Provisions	1 335 463	864 641
Donation In-kind	(284 940)	(588 279)
Salary In-kind	284 940	588 279
Contribution from/to provisions - Non-Current Employee Benefits	119 765	71 333
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	25 982	21 950
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	(17 164)	-
Contribution from/to - Current Employee Benefits	215 262	92 495
Contribution to provisions – Bad Debt	4 255 470	-
Bad Debts written off	943 094	7 475 149
Operating lease income accrued	1 146	3 863
Operating Surplus/(Deficit) before changes in working capital	34 485 019	7 452 653
Changes in working capital	(5 481 554)	311 343
Increase/(Decrease) in Trade and Other Payables	2 710 563	8 343 313
Increase/(Decrease) in Taxes	(2 046 997)	(679 114)
(Increase)/Decrease in Inventory	(235 890)	(112 154)
(Increase)/Decrease in Receivables from Exchange Transactions	(5 002 356)	(5 924 175)
(Increase)/Decrease in Receivables from Non-Exchange Transactions	(906 875)	(1 316 527)
Cash generated/(absorbed) by operations	29 003 465	7 763 996
45. CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Current Accounts - Note 9	289 405	537 432
Call Deposits and Investments - Note 9	3 030 163	74 355
Cash Floats - Note 9	380	380
Total cash and cash equivalents	3 319 949	612 167
46. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES		
Cash and Cash Equivalents - Note 45	3 319 949	612 167
Less:	(2 300 679)	(57 921)
Unspent Transfers and Subsidies - Note 16	(2 300 679)	(57 921)
Net cash resources available for internal distribution	1 019 270	554 246
Allocated to:		
Capital Replacement Reserve	(739)	(739)
Resources available for working capital requirements	1 018 531	553 507
47. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 10	2 102 237	3 549 736
Used to finance property, plant and equipment - at cost	(2 102 237)	(3 549 736)
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
48. BUDGET INFORMATION		
48.1 Explanation of variances greater than 10%: Final Budget and Actual Amounts:		
48.2 Statement of Financial Position		
48.2.1 Current Assets		
Call Investment Deposits		
Increase in Call Deposits as a result of unspent grant funding.		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Consumer Debtors

Non-payment of consumers.

Other Debtors

Non-payment of consumers.

Inventory

Increase in consumables on-hand.

48.2.2 Non-Current Assets

Long-term Receivables

All consumer debtors are current receivables.

Investment Property

Reconstructing of Asset Register.

Property, Plant and Equipment

Reconstructing of Asset Register.

Intangible Assets

Reconstructing of Asset Register.

48.2.3 Current Liabilities

Borrowing

Additional finance lease.

Consumer Deposits

Reclassification of consumer deposits.

Provisions

Increase in salary cost of staff leave and staff bonus provisions.

48.2.4 Non-Current Liabilities

Borrowing

Repayment of Finance Leases.

Provisions

Increase in provision for rehabilitation of landfill-sites.

48.2.5 Net Assets

Accumulated Surplus/(Deficit)

Nett result of all effects.

Statement of Financial Performance

48.2.6 Revenue

Property Rates

Revenue Forgone not budgeted for.

Service Charges - Water Revenue

Decrease due to water drought.

Service Charges - Refuse Revenue

Revenue Forgone not budgeted for.

Rental of Facilities and Equipment

Decrease due to water drought.

Interest Earned - Outstanding Debtors

Decrease due to write-off of old debt.

Fines

Less fines received.

Licences and Permits

Decrease in licences issued.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Agency Services

Document reasons

Other Revenue

Decrease in operational revenue.

Gains on Disposal of PPE

Inventory Land sold during the year.

48.2.7 Expenditure

Debt Impairment

Decrease in Debt Impairment provision.

Depreciation and Asset Impairment

Reconstructing of Asset Register.

Finance Charges

Increase in provision for rehabilitation of landfill-sites.

Other Materials

Inventory Consumed included under other expenditure in budget.

Other Expenditure

Inventory Consumed included under other expenditure in budget and unwinding of interest not levied for Receivables.

Cash Flow Statement

48.2.8 Net Cash from Operating Activities

Transfers and Grants

Transfers and Grants not included in budget.

48.2.9 Net Cash from Investing Activities

Capital Assets

Delay in capital projects.

48.2.10 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

New consumer accounts.

Repayment of Borrowing

Repayment of finance leases.

2018
R

2017
R

49. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

49.1 Unauthorised expenditure

Reconciliation of unauthorised expenditure:

Opening balance

60 243 721

47 497 960

Unauthorised expenditure current year - operational

3 801 281

12 372 322

Unauthorised expenditure current year - capital

-

373 440

Approved by Council or condoned

-

-

Unauthorised expenditure awaiting authorisation

64 045 002

60 243 721

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - 2011	None	8 326 343	8 326 343
Over expenditure of approved capital budget - 2011	None	5 601 856	5 601 856
Over expenditure of approved operating budget - 2012	None	48 113	48 113
Over expenditure of approved capital budget - 2012	None	430 587	430 587
Over expenditure of approved operating budget - 2013	None	2 219 133	2 219 133
Over expenditure of approved capital budget - 2013	None	4 457 394	4 457 394
Over expenditure of approved operating budget - 2014	None	4 354 299	4 354 299
Over expenditure of approved capital budget - 2014	None	6 368 173	6 368 173
Over expenditure of approved operating budget - 2015	None	6 562 636	6 562 636
Over expenditure of approved capital budget - 2015	None	445 821	445 821
Over expenditure of approved operating budget - 2016	None	6 488 967	6 488 967
Over expenditure of approved capital budget - 2016	None	2 194 638	2 194 638
Over expenditure of approved operating budget - 2017	None	12 372 322	12 372 322
Over expenditure of approved capital budget - 2017	None	373 440	373 440
Over expenditure of approved operating budget - 2018		3 801 281	-
		64 045 002	60 243 721

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 Actual R	2018 Final Budget R	2018 Variance R	2018 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and Council	7 321 252	7 594 240	(272 988)	-
Administration: Corporate	11 050 584	11 329 436	(278 852)	-
Administration: Community	3 974 971	4 719 886	(744 915)	-
Financial Services	13 172 409	13 866 453	(694 044)	-
Infrastructure	40 531 956	36 730 676	3 801 281	3 801 281
	<u>76 051 172</u>	<u>74 240 691</u>	<u>1 810 481</u>	<u>3 801 281</u>

	2018 Actual R	2018 Final Budget R	2018 Variance R	2018 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and council	149 684	161 000	(11 316)	-
Administration: Corporate	-	194 600	(194 600)	-
Administration: Community	-	800 000	(800 000)	-
Financial Services	-	110 000	(110 000)	-
Infrastructure	26 511 146	35 879 000	(9 367 854)	-
	<u>26 660 830</u>	<u>37 144 600</u>	<u>(10 483 770)</u>	<u>-</u>

	2018 R	2017 R
49.2 Fruitless and wasteful expenditure		
Reconciliation of fruitless and wasteful expenditure:		
Opening balance	252 745	143 736
Fruitless and wasteful expenditure current year	30 060	109 009
Condoned or written off by Council	-	-
Transfer to receivables for recovery - not condoned	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>282 806</u>	<u>252 745</u>

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Interest and Penalties Paid to SARS on late payment of employee tax.	None	115	115
Interest Paid to Eskom.	None	38 083	13 902
Interest Paid to Creditors.	None	6 331	6 331
Interest and Penalties Paid to SARS on late payment of VAT.	None	12 693	12 693
Power failure caused damages to lobster and abalone at the Port Lobster fishing factory	None	25 000	25 000
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	65	65
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	224	224
Interest Paid to Creditors	None	66 025	66 025
Interest and Penalties Paid to SARS on late payment of employee tax.	None	44	44
Interest Paid to Eskom	None	13 944	13 944
Interest Paid to Creditors	None	4 770	4 770
Interest and Penalties Paid to SARS on late payment of Providend Fund	None	621	621
Interest Paid to Eskom	None	67 249	67 249
Interest Paid to Creditors	None	41 760	41 760
Interest Paid to D.J Scholtz & de Wit	None	5 264	-
Interest Paid to Wessee Konstruksie	None	206	-
Interest Paid to Van's Photo	None	57	-
Interest Paid to Honolulu Hardware	None	352	-
		<u>282 806</u>	<u>252 745</u>

49.3 Irregular expenditure			
Reconciliation of irregular expenditure:			
Opening balance	57 548 589	52 535 318	
Irregular expenditure current year	-	5 013 271	
Expenditure authorised i.t.o. Section 32 of MFMA	-	-	
Condonement supported by council	-	-	
Transfer to receivables for recovery - not condoned	-	-	
Irregular expenditure awaiting further action	<u>57 548 589</u>	<u>57 548 589</u>	

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2018 R	2017 R
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms	To be investigated	16 460 016	16 460 016
Non compliance of tenders with Supply Chain Management Policy	To be investigated	24 880 494	24 880 494
Non compliance with Supply Chain Management Policy - Supplier in service of state	To be investigated	506 874	506 874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website	To be investigated	1 487 349	1 487 349
Non compliance with Supply Chain Management Policy - Deviation not reported to council	To be investigated	3 670	3 670
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2015	To be investigated	3 729 662	3 729 662
Employee Related Cost - employees acting as CFO for longer than 3 months - 2015	To be investigated	140 781	140 781
Employee Related Cost - appointments made not on organogram - 2015	To be investigated	1 251 121	1 251 121
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2016	None	3 530 313	3 530 313
Overpayment of capital projects	None	165 577	165 577
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2016	None	79 141	79 141
Employee Related Cost - appointments made not on organogram - 2016	None	300 320	300 320
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2017	To be investigated	380 192	380 192
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2017	To be investigated	4 633 079	4 633 079
		<u>57 548 589</u>	<u>57 548 589</u>

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount. These expenditure can be summarised as follows:

Incident	Disciplinary steps/criminal proceedings		
Non compliance with Supply Chain Management Policy - R2 000 - R10 000	To be investigated	29 634	-
Non compliance with Supply Chain Management Policy - R10 001 - R200 000	To be investigated	1 124 646	-
Non compliance with Supply Chain Management Policy - Competitive Bids	To be investigated	10 845 945	-
Deviations from the Supply Chain Management Policy	To be investigated	13 271 737	-
Deviations from the Supply Chain regulations - Preference points system not used	To be investigated	86 754	-
Non compliance with Supply Chain Management Policy - Local content	To be investigated	60 852	-
Non compliance with Supply Chain Management Policy - Contract Management	To be investigated	503 657	-
		<u>25 923 225</u>	<u>-</u>

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R			
50. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT					
50.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)					
Opening balance	100 000	200 000			
Council subscriptions	500 000	500 000			
Amount paid - current year	(500 000)	(400 000)			
Amount paid - previous years	(100 000)	(200 000)			
Balance unpaid (included in creditors)	-	100 000			
50.2 Audit fees - [MFMA 125 (1)(c)]					
Opening balance	1 468 016	905 891			
Current year audit fee	2 475 441	3 226 240			
External Audit - Auditor-General	2 475 441	3 226 240			
Amount paid - current year	(1 461 507)	(1 758 224)			
Amount paid - previous year	(1 963 455)	(905 891)			
Balance unpaid (included in creditors)	518 496	1 468 016			
50.3 VAT - [MFMA 125 (1)(c)]					
VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 17.					
50.4 PAYE and UIF - [MFMA 125 (1)(c)]					
Opening balance	204 881	148 841			
Current year payroll deductions	3 051 642	2 647 064			
Amount paid - current year	(2 772 365)	(2 442 183)			
Amount paid - previous year	(204 881)	(148 841)			
Balance unpaid (included in creditors)	279 277	204 881			
50.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]					
Opening balance	178 095	9 181			
Current year payroll deductions and Council Contributions	5 051 920	4 810 258			
Amount paid - current year	(4 624 832)	(4 632 163)			
Amount paid - previous year	(178 095)	(9 181)			
Balance unpaid (included in creditors)	427 088	178 095			
50.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]					
None of the councillors had arrear accounts for more than 90 days on 30 June 2018.					
None of the Councillors had arrear accounts outstanding for more than 90 days during the year.					
50.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005					
Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b):					
	Type of Deviation				
	Amount	Single Supplier	Impossible	Impractical	Emergency
July	190 880	5		1	1
August	382 942	6		6	5
September	101 498	3		2	-
October	269 105	4		-	3
November	72 845	6		-	-
December	366 916	43		1	3
January	331 681	10		3	1
February	121 870	5		1	-
March	234 407	8		1	3
April	20 643	2		2	-
May	312 474	2		-	-
June	28 792	2		2	-
	2 434 052	96	-	19	16

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 R	2017 R
50.8 Material losses		
Electricity distribution losses		
Units purchased (Kwh)	10 224 620	10 051 628
Units lost during distribution (Kwh)	2 867 301	3 055 098
Percentage lost during distribution	28.04%	30.39%
Distribution loss (Rand Value)	1 722 077	1 820 953

The reason for the increase in electricity losses is due to electricity theft on pre-paid meters.

Water distribution losses

Units purchased (ml)	382 310	350 560
Units lost during distribution (ml)	51 664	91 945
Percentage lost during distribution	13.51%	26.23%
Distribution loss (Rand Value)	142 076	252 849

Normal pipe bursts and field leakages are responsible for water losses.

51. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:

1% (2017: 1%) Increase in interest rates	12 173	(29 379)
1% (2017: 1%) Decrease in interest rates	(12 173)	29 379

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 7 and 8 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	2018 %	2018 R	2017 %	2017 R
<u>Non-exchange Receivables</u>				
Rates	100.00%	12 010 458	100.00%	11 103 584
<u>Exchange Receivables</u>				
Electricity	7.83%	4 208 089	7.24%	3 567 256
Water	36.26%	19 490 268	34.89%	17 200 695
Property Rentals	4.41%	2 372 445	4.27%	2 106 663
Waste Management	21.41%	11 509 613	21.62%	10 659 720
Waste Water Management	19.25%	10 345 980	19.26%	9 495 864
Abeance	4.92%	2 644 276	7.46%	3 679 918
Other	5.93%	3 187 078	5.26%	2 593 568
Prepayments and Advances	0.00%	-	0.00%	-
	100.00%	53 757 750	100.00%	49 303 683

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 7 and 8 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2018 %	2018 R	2017 %	2017 R
<u>Non-exchange Receivables</u>				
Rates	41.87%	36 269 225	42.26%	34 645 790
<u>Exchange Receivables</u>				
Services	58.13%	50 358 578	57.74%	47 331 738
	100.00%	86 627 803	100.00%	81 977 527

Ageing of amounts past due but not impaired are as follow:

2018

1 month past due
2+ months past due

Exchange Receivables	Non- exchange Receivables
1 050 911	98 409
175 484	888 287
1 226 395	986 695

2017

1 month past due
2+ months past due

Exchange Receivables	Non- exchange Receivables
-	53 607
-	71 131
-	124 738

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank Limited). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank and Standard Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Receivables are individually evaluated annually at Balance Sheet date for impairment or discounting. A report on the various categories of debtors is drafted to substantiate such evaluation and subsequent impairment / discounting, where applicable.

	2018 R	2017 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	53 757 750	49 303 683
Receivables from non-exchange transactions	37 805 103	35 533 288
Cash and Cash Equivalents	3 319 569	611 787
	94 882 421	85 448 758

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2018				
Long-term Liabilities	1 699 878	585 267	-	-
Trade and Other Payables	15 735 333	-	-	-
	<u>17 435 211</u>	<u>585 267</u>	<u>-</u>	<u>-</u>
	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2017				
Long-term Liabilities	1 751 875	2 258 562	-	-
Trade and Other Payables	13 024 769	-	-	-
	<u>14 776 644</u>	<u>2 258 562</u>	<u>-</u>	<u>-</u>
			2018 R	2017 R

52. FINANCIAL INSTRUMENTS

In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:

52.1 Financial Assets

Classification

Receivables from Exchange Transactions

Electricity	Financial Instruments at amortised cost	4 208 089	3 567 256
Water	Financial Instruments at amortised cost	19 490 268	17 200 695
Property Rentals	Financial Instruments at amortised cost	2 372 445	2 106 663
Waste Management	Financial Instruments at amortised cost	11 509 613	10 659 720
Waste Water Management	Financial Instruments at amortised cost	10 345 980	9 495 864
Abeysance	Financial Instruments at amortised cost	2 644 276	3 679 918
Other Arrears	Financial Instruments at amortised cost	3 187 078	2 628 281

Cash and Cash Equivalents

Bank Balances	Financial Instruments at amortised cost	289 405	537 432
Call Deposits	Financial Instruments at amortised cost	3 030 163	74 355

Total Financial Assets

57 077 318 49 950 184

SUMMARY OF FINANCIAL ASSETS

Financial Instruments at amortised cost:

Receivables from Exchange Transactions	Electricity	4 208 089	3 567 256
Receivables from Exchange Transactions	Water	19 490 268	17 200 695
Receivables from Exchange Transactions	Property Rentals	2 372 445	2 106 663
Receivables from Exchange Transactions	Waste Management	11 509 613	10 659 720
Receivables from Exchange Transactions	Waste Water Management	10 345 980	9 495 864
Receivables from Exchange Transactions	Abeysance	2 644 276	3 679 918
Receivables from Exchange Transactions	Other Arrears	3 187 078	2 628 281
Cash and Cash Equivalents	Bank Balances	289 405	537 432
Cash and Cash Equivalents	Call Deposits	3 030 163	74 355

Total Financial Assets

57 077 318 49 950 184

52.2 Financial Liabilities

Classification

Long-term Liabilities

Capitalised Lease Liability	Financial Instruments at amortised cost	2 102 237	3 549 736
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Trade and Other Payables

Trade Payables	Financial Instruments at amortised cost	13 824 800	9 861 864
Advance Payments	Financial Instruments at amortised cost	874 078	1 801 033
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	43 369	27 260
Other Payables	Financial Instruments at amortised cost	202 231	120 562
Retentions	Financial Instruments at amortised cost	790 855	1 234 104

17 837 569 16 594 558

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

		2018 R	2017 R
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	2 102 237	3 549 736
Trade and Other Payables	Trade Payables	13 824 800	9 861 864
Trade and Other Payables	Advance Payments	874 078	1 801 033
Trade and Other Payables	Control, Clearing and Interface Accounts	43 369	27 260
Trade and Other Payables	Other Payables	202 231	120 562
Trade and Other Payables	Retentions	790 855	1 234 104
		17 837 569	16 594 558

53. STATUTORY RECEIVABLES

In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:

Taxes

VAT Receivable	0	-
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Receivables from Non-Exchange Transactions

Rates	12 010 458	11 103 584
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Total Statutory Receivables (before provision)

Less: Provision for Debt Impairment

Total Statutory Receivables (after provision)

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	10 716 667	8 593 788
Contribution to provision	258 495	2 122 879
Reversal of provision	-	-
Balance at end of year	10 975 162	10 716 667

54. IN-KIND DONATIONS AND ASSISTANCE

The department of Corporate Governance, Human Settlements and Traditional Affairs has second mr. Maposa to act as Municipal Manager at Richtersveld Municipality. This service in-kind has been recognised as revenue in terms of GRAP 23.

55. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

56. CONTINGENT LIABILITY

The municipality is currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions. The following are the estimates:

Sightfull 1235 CC	-	4 838 424
	-	4 838 424

57. CONTINGENT ASSET

The municipality has started a process to recover irregular payments of R2 154 966 made to Renaissance Skills Centre CC.

58. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

58.1 Related Party Transactions

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2018				
Councillors				
AM Jansen - Mayor	10 293	25 654	-	4 532
R Jonker	5 110	5 887	-	837
G Beukes	508	6 627	-	324
	15 911	38 168	-	5 693
Municipal Manager and Section 57 Employees				
E Cloete	-	3 921	-	298
JX Komanisi	-	19 663	25 204	2 928
	-	23 584	25 204	3 226

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

	Rates	Service Charges	Other	Outstanding Balance
Year ended 30 June 2017				
Councillors				
AM Jansen - Mayor	9 469	24 381	-	3 112
LR Ambrosini	3 650	4 568	-	9 570
G Beukes	425	6 064	-	302
CF Richter	9 753	897	-	-
E Hausiku	358	646	-	599
T Swartbooi	548	432	-	759
R Jonker	4 555	5 589	-	875
	28 758	42 575	-	15 216
Municipal Manager and Section 57 Employees				
E Cloete	-	3 570	-	302
JX Komanisi	-	13 378	23 778	4 375
	-	16 948	23 778	4 677

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

58.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 31 to the Annual Financial Statements.

58.3 Other related party transactions

The following purchases were made during the year where Councillors or staff have an interest:

Company Name	Related Party	Service Capacity	Relationship	2018 R	2017 R
JJ Panelbeaters	Jamie Ambrosini	Intern	Father	-	1 500
MC Spyseniering	L. Cloete	Human Resorce Clerk	Mother	9 650	25 300
DC Forbes Catering	L. Phillips	Caravan Park Caretaker	Sister	-	8 200
Namakwaland Konstruksie	S. Hearne	Payroll Officer	Husband	1 551 318	4 069 890
T & D Caterers	B. Raman	Testing Officer	Mother	99 898	50 005
				1 660 865	4 154 895

59. FINANCIAL SUSTAINABILITY

The extremely high cost associated with the Delivery of Basic Services and Infrastructure needs to communities due to the vast distances between several settlements coupled with the social-economic profile (high unemployment rate) of Richtersveld communities resulted in a serous risk for Richtersveld Municipality's going concern.

Unless sustainable job creation is achieved, Richtersveld Municipality will not be able to function as a going concern without Government Grants and Subsidies.

The average creditors payment period is 105 days (2017: 105 days). The municipality has negotiated with Eskom to repay outstanding accounts.

The municipality is experiencing difficulty to settle its current liabilities as its net current asset position is insufficient. The current liabilities exceeds the current assets with R11 684 374 (2017: R13 370 756).

The average debtor-collection period after impairment is 56,7 days (2017: 31,9 days), while debtors impairment provision as a percentage of accounts receivable is 93,7% (2017: 96,6%). Assistance from NCPT has been requested to assist the municipality with a turn-around strategie.

The municipality have budgeted for a operating deficit of R699 000 for the 2018/2019 financial year, and R1 564 000 and R1 055 000 for the 2019/2020 and 2020/2021 years respectively. The municipality has also budgeting for positive cash flows during 2018/2019 of R4 431 000, R5 990 000 and R6 906 000 for 2019/2020 and 2020/2021 respectively.

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

60. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2018

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2017	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2018
ANNUITY LOANS								
DBSA	10.00%	101910	31/12/2015	-	-	-	-	-
Total Annuity Loans				-	-	-	-	-
LEASE LIABILITY								
Office Equipment		Various	30/04/2017	-	-	-	-	-
Vehicles		Various	01/07/2019	3 549 736	-	-	(1 447 499)	2 102 237
Data Contracts		Various	30/09/2014	-	-	-	-	-
Total Lease Liabilities				3 549 736	-	-	(1 447 499)	2 102 237
TOTAL EXTERNAL LOANS				3 549 736	-	-	(1 447 499)	2 102 237

APPENDIX B
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
GENERAL FINANCE STATISTIC CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Governance and Administration			
746 237	(10 450 195)	(9 703 958)	Executive and council	81 649	(7 208 330)	(7 126 680)
29 386 933	(29 640 192)	(253 259)	Finance and administration	31 689 656	(22 937 963)	8 751 693
-	-	-	Internal audit	-	-	-
			Community and Public Safety			
1 576 277	(4 131 471)	(2 555 193)	Community and social services	1 085 226	(2 117 820)	(1 032 593)
1 362 713	(1 750 958)	(388 245)	Sport and recreation	1 411 540	(1 895 050)	(483 511)
-	(91 405)	(91 405)	Public safety	-	(121 075)	(121 075)
-	1 780 197	1 780 197	Housing	-	(345 336)	(345 336)
(5 382)	(40 645)	(46 028)	Health	(5 042)	(38 855)	(43 897)
			Economic and Environmental Services			
209 289	-	209 289	Planning and development	96 313	(411 330)	(315 017)
6 336 479	(4 253 469)	2 083 010	Road transport	311 145	(6 781 215)	(6 470 069)
-	-	-	Environmental protection	-	-	-
			Trading Services			
11 183 160	(14 221 553)	(3 038 393)	Energy sources	18 478 235	(13 749 963)	4 728 272
5 091 962	(4 315 959)	776 003	Water management	11 787 409	(12 630 065)	(842 656)
4 487 883	(2 679 351)	1 808 532	Waste water management	24 884 338	(3 704 126)	21 180 212
3 155 777	(3 029 507)	126 271	Waste management	3 595 968	(3 997 123)	(401 155)
-	-	-	Other	-	(95 758)	(95 758)
63 531 327	(72 824 507)	(9 293 180)	Sub Total	93 416 437	(76 034 008)	17 382 428
-	-	-	Less Inter-Departmental Charges	-	-	-
63 531 327	(72 824 507)	(9 293 180)	Total	93 416 437	(76 034 008)	17 382 428

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2018
MUNICIPAL VOTES CLASSIFICATIONS

2017 Actual Income R	2017 Actual Expenditure R	2017 Surplus/ (Deficit) R		2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R
			Executive and council			
119 021	(7 248 114)	(7 129 093)	Council General Expenses	81 649	(6 225 057)	(6 143 407)
627 216	(3 202 081)	(2 574 865)	Municipal Manager	-	(983 273)	(983 273)
-	-	-	Tourism	-	(95 758)	(95 758)
			Administration: Corporate			
19 114 013	(8 336 683)	10 777 331	Administration.	17 732 873	(7 245 231)	10 487 642
(5 382)	(40 645)	(46 028)	Health Services	(5 042)	(38 855)	(43 897)
1 573 159	(4 044 108)	(2 470 949)	Library	1 087 898	(2 040 441)	(952 544)
279 957	(1 616 507)	(1 336 550)	Offices	253 106	(1 301 879)	(1 048 773)
91 404	(450 750)	(359 346)	Vehicle Testing	6 018	(424 177)	(418 159)
			Administration: Community			
101 301	78 619	179 920	Properties	2 766 236	(287 582)	2 478 654
542 198	(258 044)	284 154	Commonage	332 082	(250 739)	81 343
8 856	(40 645)	(31 789)	Cemetery	3 447	(39 254)	(35 807)
-	1 820 842	1 820 842	Housing Scheme 4	-	(307 212)	(307 212)
-	(40 645)	(40 645)	Housing Scheme 5	-	(38 124)	(38 124)
-	(91 405)	(91 405)	Fire Brigade	-	(121 075)	(121 075)
(34 914)	(6 130 011)	(6 164 924)	Workshop	(23 057)	(1 013 653)	(1 036 710)
-	(41 116)	(41 116)	Beaches	-	(38 124)	(38 124)
1 364 563	(1 265 424)	99 139	Caravan Park	1 424 936	(1 375 718)	49 217
(5 737)	(46 718)	(52 455)	Museum	(6 118)	(38 124)	(44 243)
(2 464)	(36 986)	(39 450)	Recreational Park	(13 396)	(88 634)	(102 030)
614	(385 941)	(385 327)	Community Gym	-	(376 731)	(376 731)
			Financial Services			
904 751	(8 169 827)	(7 265 076)	Administration	739 530	(11 171 036)	(10 431 506)
8 479 626	(5 207 739)	3 271 887	Assessment Rates	9 888 886	(2 001 373)	7 887 513
			Infrastructure			
3 155 777	(3 029 507)	126 271	Refuse Removal	3 595 968	(3 997 123)	(401 155)
4 487 883	(2 679 351)	1 808 532	Sewerage Services	24 884 338	(3 702 078)	21 182 260
6 454 364	(3 802 720)	2 651 644	Roads & Stormwater	401 441	(6 359 086)	(5 957 645)
5 091 962	(4 315 959)	776 003	Water Services	11 787 409	(12 630 065)	(842 656)
11 183 160	(14 221 553)	(3 038 393)	Electricity Services	18 478 235	(13 749 963)	4 728 272
-	(21 492)	(21 492)	Sport Ground	-	(15 843)	(15 843)
-	-	-	Planning and Development	-	(77 799)	(77 799)
63 531 327	(72 824 507)	(9 293 180)	Sub Total	93 416 437	(76 034 008)	17 382 428
-	-	-	Less Inter-Departmental Charges	-	-	-
63 531 327	(72 824 507)	(9 293 180)	Total	93 416 437	(76 034 008)	17 382 428

APPENDIX E
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2017	Correction of Error	Restated Balance 30 June 2017	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2018	Unspent 30 June 2018 (Creditor)	Unpaid 30 June 2018 (Debtor)
<u>National Government Grants</u>											
Equitable Share	-	-	-	14 115 000	-	-	(14 115 000)	-	-	-	-
Finance Management Grant	-	-	-	1 900 000	-	-	(1 900 000)	-	-	-	-
Municipal Infrastructure Grant	-	-	-	7 382 000	-	-	-	(5 251 297)	2 130 703	2 130 703	-
Integrated National Electrification Grant	-	-	-	7 000 000	-	-	-	(6 886 945)	113 055	113 055	-
Expanded Public Works Programme Integ	-	-	-	1 000 000	-	-	(1 000 000)	-	-	-	-
Municipal Disaster Grant	-	-	-	15 197 000	-	-	-	(15 197 000)	-	-	-
Water Services Infrastructure Grant	-	-	-	6 000 000	-	-	-	(6 000 000)	-	-	-
Total National Government Grants	-	-	-	52 594 000	-	-	(17 015 000)	(33 335 242)	2 243 758	2 243 758	-
<u>Provincial Government Grants</u>											
Libraries, Archives and Museums	1 162	-	1 162	1 111 000	-	-	(1 112 000)	-	162	162	-
Total Provincial Government Grants	1 162	-	1 162	1 111 000	-	-	(1 112 000)	-	162	162	-
<u>Other Grant Providers</u>											
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759	56 759	-
Total Other Grant Providers	56 759	-	56 759	-	-	-	-	-	56 759	56 759	-
Total Grants	57 921	-	57 921	53 705 000	-	-	(18 127 000)	(33 335 242)	2 300 679	2 300 679	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A1 Budget Summary

Description	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
R thousands												
Financial Performance												
Property rates	12 994	-	12 994	7 598		5 395	58.5%	58.5%				5 767
Service charges	28 037	-	28 037	24 479		3 557	87.3%	87.3%				21 332
Investment revenue	430	-	430	442		(12)	102.9%	102.9%				187
Transfers recognised - operational	18 104	755	18 859	19 355		(496)	102.6%	106.9%				28 573
Other own revenue	6 633	-	6 633	8 207		(1 574)	123.7%	123.7%				7 671
Total Revenue (excluding capital transfers and contributions)	66 197	755	66 952	60 081		6 871	89.7%	90.8%				63 531
Employee costs	25 018	1 015	26 033	25 419	-	613	97.6%	101.6%	-	-	-	24 368
Remuneration of councillors	2 058	207	2 265	2 446	-	(181)	108.0%	118.8%	-	-	-	2 119
Debt impairment	2 126	4 000	6 126	4 255	-	1 870	69.5%	200.2%	-	-	-	6 818
Depreciation & asset impairment	5 054	2 000	7 054	10 868	-	(3 815)	154.1%	215.1%	-	-	-	9 860
Finance charges	1 387	-	1 387	1 915	-	(528)	138.1%	138.1%	-	-	-	1 658
Materials and bulk purchases	13 581	95	13 676	14 422	-	(745)	105.5%	106.2%	-	-	-	13 267
Transfers and grants	-	-	-	-	-	-			-	-	-	12
Other expenditure	16 166	1 535	17 700	16 708	-	992	94.4%	103.4%	-	-	-	14 722
Total Expenditure	65 389	8 851	74 241	76 034	-	(1 793)	102.4%	116.3%	-	-	-	72 824
Surplus/(Deficit)	808	(8 096)	(7 288)	(15 953)		8 664	218.9%	-1974.4%				(9 293)
Transfers recognised - capital	20 684	(8 096)	35 881	33 335		2 546	92.9%	161.2%				-
Contributions recognised - capital & contributed assets	-	-	-	-		-						-
Surplus/(Deficit) after capital transfers & contributions	21 492	(16 193)	28 593	17 382		11 210	60.8%	80.9%				(9 293)
Share of surplus/ (deficit) of associate	-	-	-	-		-						-
Surplus/(Deficit) for the year	21 492	(16 193)	28 593	17 382		11 210	60.8%	80.9%				(9 293)
Capital expenditure & funds sources												
Capital expenditure												
Transfers recognised - capital	20 684	15 197	35 881	26 661		9 220	74.3%	128.9%				14 926
Public contributions & donations	-	-	-	-		-						-
Borrowing	-	-	-	-		-						1 524
Internally generated funds	1 264	-	1 264	-		1 264	0.0%	0.0%				1 027
Total sources of capital funds	21 948	15 197	37 145	26 661		10 484	71.8%	121.5%				17 477
Cash flows												
Net cash from (used) operating	25 481	13 101	38 582	29 003		9 578	75.2%	113.8%				7 764
Net cash from (used) investing	(22 110)	(15 197)	(37 307)	(24 941)		(12 366)	66.9%	112.8%				(7 637)
Net cash from (used) financing	1 025	-	1 025	(1 355)		2 380	-132.1%	-132.1%				(1 810)
Cash/cash equivalents at the year end	2 341	(2 096)	245	3 320		-	1355.3%	141.8%				612

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue - Standard												
<i>Governance and administration</i>	34 519	755	35 274	31 771		3 502	90.1%	92.0%				30 133
Executive and council	–	–	–	82		(82)						746
Finance and administration	34 519	755	35 274	31 690		3 584	89.8%	91.8%				29 387
Internal audit	–	–	–	–		–						–
<i>Community and public safety</i>	3 312	–	3 312	2 492		821	75.2%	75.2%				2 934
Community and social services	1 300	–	1 300	1 085		215	83.5%	83.5%				1 576
Sport and recreation	1 997	–	1 997	1 412		585	70.7%	70.7%				1 363
Public safety	–	–	–	–		–						–
Housing	19	–	19	–		19	0.0%	0.0%				–
Health	(4)	–	(4)	(5)		1	135.0%	135.0%				(5)
<i>Economic and environmental services</i>	7 549	–	7 549	407		7 141	5.4%	5.4%				6 546
Planning and development	33	–	33	96		(64)	295.7%	295.7%				209
Road transport	7 516	–	7 516	311		7 205	4.1%	4.1%				6 336
Environmental protection	–	–	–	–		–						–
<i>Trading services</i>	41 502	15 197	56 699	58 746		(2 047)	103.6%	141.6%				23 919
Energy sources	19 187	–	19 187	18 478		708	96.3%	96.3%				11 183
Water	13 762	15 197	28 959	11 787		17 172	40.7%	85.7%				5 092
Waste water management	3 834	–	3 834	24 884		(21 050)	649.0%	649.0%				4 488
Waste management	4 718	–	4 718	3 596		1 122	76.2%	76.2%				3 156
<i>Other</i>	–	–	–	–		–						–
Total Revenue - Standard	86 881	15 952	102 833	93 416		9 417	90.8%	107.5%				63 531

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Expenditure - Standard												
<i>Governance and administration</i>	29 659	2 160	31 819	30 146	-	1 673	94.7%	101.6%	-	-	-	40 090
Executive and council	7 131	464	7 594	7 208	-	386	94.9%	101.1%	-	-	-	10 450
Finance and administration	22 529	1 697	24 225	22 938	-	1 287	94.7%	101.8%	-	-	-	29 640
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	4 668	214	4 882	4 518	-	364	92.6%	96.8%	-	-	-	4 234
Community and social services	2 203	-	2 203	2 118	-	85	96.2%	96.2%	-	-	-	4 131
Sport and recreation	1 723	33	1 757	1 895	-	(138)	107.9%	110.0%	-	-	-	1 751
Public safety	50	8	58	121	-	(63)	208.4%	241.7%	-	-	-	91
Housing	608	172	781	345	-	435	44.2%	56.8%	-	-	-	(1 780)
Health	84	-	84	39	-	45	46.4%	46.4%	-	-	-	41
<i>Economic and environmental services</i>	6 193	122	6 315	7 193	-	(877)	113.9%	116.1%	-	-	-	4 253
Planning and development	1 396	-	1 396	411	-	985	29.5%	29.5%	-	-	-	-
Road transport	4 797	122	4 919	6 781	-	(1 862)	137.9%	141.4%	-	-	-	4 253
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	24 869	6 355	31 224	34 177	-	(2 953)	109.5%	137.4%	-	-	-	24 246
Energy sources	15 046	46	15 092	13 750	-	1 342	91.1%	91.4%	-	-	-	14 222
Water	3 538	6 173	9 711	12 630	-	(2 919)	130.1%	357.0%	-	-	-	4 316
Waste water management	3 827	95	3 922	3 704	-	218	94.4%	96.8%	-	-	-	2 679
Waste management	2 459	41	2 499	3 997	-	(1 498)	159.9%	162.6%	-	-	-	3 030
<i>Other</i>	-	-	-	96	-	(96)	-	-	-	-	-	-
Total Expenditure - Standard	65 389	8 851	74 241	76 034	-	(1 793)	102.4%	116.3%	-	-	-	72 825
Surplus/(Deficit) for the year	21 492	7 101	28 593	17 382	-	11 210	60.8%	80.9%	-	-	-	(9 293)

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue by Vote												
Vote 1 - Executive and council	–	–	–	82		(82)						746
Vote 2 - Administration: Corporate	18 641	–	18 641	19 075		(434)	102.3%	102.3%				21 053
Vote 3 - Administration: Community	3 042	–	3 042	4 484		(1 442)	147.4%	147.4%				1 974
Vote 4 - Financial Services	16 243	755	16 998	10 628		6 370	62.5%	65.4%				9 384
Vote 5 - Infrastructure	48 956	15 197	64 153	59 147		5 005	92.2%	120.8%				30 373
Total Revenue by Vote	86 881	15 952	102 833	93 416		9 417	90.8%	107.5%				63 531
Expenditure by Vote to be appropriated												
Vote 1 - Executive and council	7 131	464	7 594	7 304	–	290	96.2%	102.4%	2 977	–	–	10 450
Vote 2 - Administration: Corporate	9 613	1 716	11 329	11 051	–	279	97.5%	115.0%	2 457	–	–	14 489
Vote 3 - Administration: Community	4 509	211	4 720	3 975	–	745	84.2%	88.2%	–	–	–	6 437
Vote 4 - Financial Services	13 813	53	13 866	13 172	–	694	95.0%	95.4%	3 117	–	–	13 378
Vote 5 - Infrastructure	30 323	6 407	36 731	40 532	–	(3 801)	110.3%	133.7%	1 704	–	–	28 071
Total Expenditure by Vote	65 389	8 851	74 241	76 034	–	(1 793)	102.4%	116.3%	–	–	–	72 825
Surplus/(Deficit) for the year	21 492	7 101	28 593	17 382		11 210	60.8%	80.9%				(9 293)

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Revenue By Source												
Property rates	12 994	–	12 994	7 598		5 395	58.5%	58.5%				5 767
Service charges - electricity revenue	11 805	–	11 805	11 035		770	93.5%	93.5%				9 834
Service charges - water revenue	7 720	–	7 720	5 657		2 063	73.3%	73.3%				4 518
Service charges - sanitation revenue	3 889	–	3 889	4 271		(382)	109.8%	109.8%				3 922
Service charges - refuse revenue	4 623	–	4 623	3 517		1 106	76.1%	76.1%				3 058
Service charges - other	–	–	–	–		–						–
Rental of facilities and equipment	1 431	–	1 431	590		842	41.2%	41.2%				680
Interest earned - external investments	430	–	430	442		(12)	102.9%	102.9%				187
Interest earned - outstanding debtors	1 942	–	1 942	2 184		(242)	112.5%	112.5%				4 187
Dividends received	–	–	–	–		–						–
Fines	19	–	19	6		12	34.0%	34.0%				116
Licences and permits	95	–	95	7		89	7.0%	7.0%				92
Agency services	378	–	378	389		(11)	102.9%	102.9%				389
Transfers recognised - operational	18 104	755	18 859	19 355		(496)	102.6%	106.9%				28 573
Other revenue	2 767	–	2 767	3 508		(741)	126.8%	126.8%				2 208
Gains on disposal of PPE	–	–	–	1 523		(1 523)						–
Total Revenue (excluding capital transfers and contributions)	66 197	755	66 952	60 081		6 871	89.7%	90.8%				63 531
Expenditure By Type												
Employee related costs	25 018	1 015	26 033	25 419	–	613	97.6%	101.6%	–	–	–	24 368
Remuneration of councillors	2 058	207	2 265	2 446	–	(181)	108.0%	118.8%	–	–	–	2 119
Debt impairment	2 126	4 000	6 126	4 255	–	1 870	69.5%	200.2%	–	–	–	6 818
Depreciation & asset impairment	5 054	2 000	7 054	10 868	–	(3 815)	154.1%	215.1%	–	–	–	9 860
Finance charges	1 387	–	1 387	1 915	–	(528)	138.1%	138.1%	–	–	–	1 658
Bulk purchases	13 581	95	13 676	12 815	–	861	93.7%	94.4%	–	–	–	11 706
Other materials	–	–	–	1 607	–	(1 607)			–	–	–	1 561
Contracted services	5 957	1 200	7 157	7 087	–	70	99.0%	119.0%	–	–	–	4 174
Transfers and grants	–	–	–	–	–	–			–	–	–	12
Other expenditure	10 209	335	10 544	9 621	–	923	91.2%	94.2%	–	–	–	7 869
Loss on disposal of PPE	–	–	–	–	–	–			–	–	–	2 679
Total Expenditure	65 389	8 851	74 241	76 034	–	(1 793)	102.4%	116.3%	–	–	–	72 824

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A4 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2017/18								2016/17			
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Surplus/(Deficit)	808	(8 096)	(7 288)	(15 953)		8 664	218.9%	-1974.4%				(9 293)
Transfers recognised - capital	20 684	15 197	35 881	33 335		2 546	92.9%	161.2%				-
Contributions recognised - capital	-	-	-	-		-						-
Contributed assets	-	-	-	-		-						-
Surplus/(Deficit) after capital transfers & contributions	21 492	7 101	28 593	17 382		11 210	60.8%	80.9%				(9 293)
Taxation	-	-	-	-		-						-
Surplus/(Deficit) after taxation	21 492	7 101	28 593	17 382		11 210	60.8%	80.9%				(9 293)
Attributable to minorities	-	-	-	-		-						-
Surplus/(Deficit) attributable to municipality	21 492	7 101	28 593	17 382		11 210	60.8%	80.9%				(9 293)
Share of surplus/ (deficit) of associate	-	-	-	-		-						-
Surplus/(Deficit) for the year	21 492	7 101	28 593	17 382		11 210	60.8%	80.9%				(9 293)

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
<u>Capital expenditure - Vote</u>												
<u>Multi-year expenditure</u>												
Vote 1 - Municipal Manager	-	-	-	-	-	-			-	-	-	-
Vote 2 - Finance	-	-	-	-	-	-			-	-	-	-
Vote 3 - Corporate Services	-	-	-	-	-	-			-	-	-	-
Vote 4 - Infrastructure Development	-	-	-	-	-	-			-	-	-	-
Vote 5 - Economic Development	-	-	-	-	-	-			-	-	-	-
Capital multi-year expenditure	-	-	-	-	-	-			-	-	-	-
<u>Single-year expenditure</u>												
Vote 1 - Municipal Manager	161	-	161	150	-	11	93%	93%	-	-	-	-
Vote 2 - Finance	195	-	195	-	-	195	0%	0%	-	-	-	1 948
Vote 3 - Corporate Services	800	-	800	-	-	800	0%	0%	-	-	-	603
Vote 4 - Infrastructure Development	110	-	110	26 511	-	(26 401)	24101%	24101%	-	-	-	-
Vote 5 - Economic Development	20 682	15 197	35 879	-	-	35 879	0%	0%	-	-	-	14 926
Capital single-year expenditure	21 948	15 197	37 145	26 661	-	10 484	72%	121%	-	-	-	17 477
Total Capital Expenditure - Vote	21 948	15 197	37 145	26 661	-	10 484	72%	121%	-	-	-	17 477

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	2017/18								2016/17			
	Original Budget	Total Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Unauthorised expenditure	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Reported unauthorised expenditure	Expenditure authorised in terms of section 32 of MFMA	Balance to be recovered	Restated Audited Outcome
	1	2	3	4	5	6	7	8	9	10	11	12
Capital Expenditure - Standard												
<i>Governance and administration</i>	1 249	-	1 249	150	-	1 099	12%	12%	-	-	-	1 948
Executive and council	161	-	161	150	-	11	93%	93%	-	-	-	-
Finance and administration	1 088	-	1 088	-	-	1 088	0%	0%	-	-	-	1 948
Internal audit	-	-	-	-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>	17	-	17	-	-	17	0%	0%	-	-	-	603
Community and social services	2	-	2	-	-	2	0%	0%	-	-	-	603
Sport and recreation	-	-	-	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Housing	15	-	15	-	-	15	0%	0%	-	-	-	-
Health	-	-	-	-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>	1 481	-	1 481	641	-	840	43%	43%	-	-	-	14 926
Planning and development	-	-	-	-	-	-	-	-	-	-	-	-
Road transport	1 481	-	1 481	641	-	840	43%	43%	-	-	-	14 926
Environmental protection	-	-	-	-	-	-	-	-	-	-	-	-
<i>Trading services</i>	19 201	15 197	34 398	25 870	-	8 528	75%	135%	-	-	-	-
Electricity	7 000	-	7 000	5 687	-	1 313	81%	81%	-	-	-	-
Water	6 000	15 197	21 197	16 360	-	4 837	77%	273%	-	-	-	-
Waste water management	6 101	-	6 101	3 823	-	2 278	63%	63%	-	-	-	-
Waste management	100	-	100	-	-	100	0%	0%	-	-	-	-
<i>Other</i>	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	21 948	15 197	37 145	26 661	-	10 484	72%	121%	-	-	-	17 477
Funded by:												
National Government	20 382	15 197	35 579	26 661	-	8 918	75%	131%	-	-	-	14 926
Provincial Government	302	-	302	-	-	302	0%	0%	-	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	20 684	15 197	35 881	26 661	-	9 220	74%	129%	-	-	-	14 926
Public contributions & donations	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-	-	1 524
Internally generated funds	1 264	-	1 264	-	-	1 264	0%	0%	-	-	-	1 027
Total Capital Funding	21 948	15 197	37 145	26 661	-	10 484	72%	121%	-	-	-	17 477

RICHTERSVELD MUNICIPALITY - Reconciliation of Table A7 Budgeted Cash Flows

Description	2017/18							2016/17
	Original Budget	Budget Adjustments (i.t.o. s28)	Final adjustments budget	Actual Outcome	Variance	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
R thousand	1	2	3	4	5	6	7	8
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, peanalties and collection charges	8 294	–	8 294	6 783	1 510	81.8%	81.8%	8 634
Service charges	20 049	–	20 049	20 943	(894)	104.5%	104.5%	19 640
Other revenue	3 260	–	3 260	3 153	107	96.7%	96.7%	4 420
Government - operating	18 104	755	18 859	18 126	733	96.1%	100.1%	17 924
Government - capital	20 684	15 197	35 881	35 579	302	99.2%	172.0%	7 680
Interest	430	–	430	442	(12)	102.9%	102.9%	187
Dividends	–	–	–	–	–			–
Payments								
Suppliers and employees	(45 339)	(2 851)	(48 190)	(55 693)	7 503	115.6%	122.8%	(50 162)
Finance charges	–	–	–	(329)	329			(558)
Transfers and Grants	–	–	–	–	–			–
NET CASH FROM/(USED) OPERATING ACTIVITIES	25 481	13 101	38 582	29 003	9 578	75.2%	113.8%	7 764
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	–	–	–	1 720	(1 720)			1 120
Decrease (Increase) in non-current debtors	(162)	–	(162)	–	(162)	0.0%	0.0%	–
Decrease (Increase) other non-current receivables	–	–	–	–	–			–
Decrease (Increase) in non-current investments	–	–	–	–	–			–
Payments								
Capital assets	(21 948)	(15 197)	(37 145)	(26 661)	(10 484)	71.8%	121.5%	(8 757)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(22 110)	(15 197)	(37 307)	(24 941)	–	0.0%	0.0%	(7 637)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–			–
Borrowing long term/refinancing	–	–	–	–	–			–
Increase (decrease) in consumer deposits	1 025	–	1 025	93	933	9.0%	9.0%	17
Payments								
Repayment of borrowing	–	–	–	(1 447)	1 447			(1 827)
NET CASH FROM/(USED) FINANCING ACTIVITIES	1 025	–	1 025	(1 355)	2 380	-132.1%	-132.1%	(1 810)
NET INCREASE/ (DECREASE) IN CASH HELD	4 397	(2 096)	2 300	2 708				(1 683)
Cash/cash equivalents at the year begin:	(2 055)	–	(2 055)	612				2 295
Cash/cash equivalents at the year end:	2 341	(2 096)	245	3 320	(3 075)	1355.3%	141.8%	612